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Politicians Debate Success of System Change

92CH0182B Budapest MAGYAR HIRLAP
in Hungarian 22 Nov 91 p 3

[Article by A. Janos Szilagyi: "Tolgyessy, Konya, Pozsgay on the Change of Regime—Only the Symbols Change?"]

[Text] A three-day scientific conference has opened on the development of the system of parliamentary representation in East Europe, organized jointly by the German Bundestag and the Hungarian parliament. The conference's main topics include a comparative analysis of the development of the new parliamentary democracies, and the definition of the direction and perspectives of political and economic development. Conference participants arrived from neighboring countries: from Germany, from the Czech and Slovak Republic, and Poland.

On the second day of the conference, Peter Tolgyessy, Imre Konya, and Imre Pozsgay, the three definitive personalities of the change of regime, spoke about how they saw and lived through the events of the past years. The former SZDSZ [Alliance of Free Democrats] faction leader emphasized that Hungary was in a quite different position than the other countries of the region. The "softer" dictatorship of the Kadar regime, the reforms of the 1960's, and the long financial growth supported by western credits played a significant role in that Hungary's change of system occurred peacefully and without any major shock. Speaking of the present, Peter Tolgyessy voiced his concern about public mistrust in the parties; it is to be feared, he said, that passivity will become a general phenomenon and that "the populace will sink into serfdom." He voiced disapproval that neutrality of the public media has not been achieved and that the frequency moratorium has not been solved. There is the danger that, in effect, the change of regime will be only a change of symbols and that authoritarianism will remain unchanged.

In speaking about the change, Imre Konya found it important to emphasize that the 1956 revolution was an integral precedent of the change of regime, during the course of which the Hungarian people tried to free itself from the system that was so foreign to their nature. This is why one cannot say that the changes occurred without bloodshed and with the exclusive participation of a small group of intellectuals. In connection with reform-socialist politicians, he stated that, as part of the power establishment, they created the possibility for change in order to hold onto their power in the economic sphere.

Imre Pozsgay, speaking after the MDF [Hungarian Democratic Forum] faction leader, refuted the statements referring to holding onto power. He reminded Imre Konya that, although the MDF would prefer to forget it, the Lakitelek program was drafted with the participation of the reform forces. He called the January 1989 reassessment of 1956 a significant event, resulting in the state party's loss of its legitimacy: "The MSZMP [Hungarian Socialist Workers Party] was lying on the road like

a victim of an automobile accident, only to be dragged off the road." He stated that one of the present parliamentary concerns is that, although the change of regime occurred on the basis of broad public will, there is no such consensus regarding the new establishment. A great danger inherent in capitalistic development based on the laws of the jungle is that a severely divided society will be created, with the possibility of renewed class struggle and of forces outside parliament playing key roles.

Experiences related to the change in other countries of the region will also be studied at the conference.

Gain for 'Right-Wing Radicalism' Seen in New Law

92CH0182A Budapest VILAGGAZDASAG
in Hungarian 23 Nov 91 pp 72-73

[Article by Endre Babus: "Zetenyi, Sit in Judgment"]

[Text] Is the peaceful revolution now being followed by an ominous consolidation? Last week's speech in parliament calling for hangings signaled the consequences of the establishment's wish to divert increasing social dissatisfaction against the former ruling class. If the debate on the agent law is any indication, further concessions by the coalition to right-wing radicalism is not to be excluded.

No matter how widely Janos Denes is considered a lonely "hero" for urging the hanging of the chief communist culprits, last week's speech of the MDF's [Hungarian Democratic Forum] renegade representative in parliament is rather symptomatic. For who could doubt that a majority vote in the House of Representatives in Budapest—which has already pushed aside a basic principle of the penal code by passing the Zetenyi bill—could even suspend the constitutional dogma that prohibits capital punishment? True, by making unequivocal hints recently, Zsolt Zetenyi, nicknamed "the whip of the MDF," wanted to "revive" "only" a few additional crimes that are beyond the statute of limitations. Incidentally, the unsmiling representative is apparently aggrieved that many people were not willing to notice that it was actually an amnesty law he pressed through the House of Representatives for passing. "On 4 November...the Hungarian parliament passed a quasi general amnesty act...which stated that it will not punish those who...although humiliated this people, were not murderers, were not traitors, and did not cause anyone's death. This meant an amnesty for several thousand persons!" said the lawmaker-historian, thus implicitly outlining one possible direction for further developing the Justicia plan.

Among other things, the Zetenyi bill serves parliament's majority, in its attempt to reinterpret the history of the past 35 years. The official establishment now wants to put the blame on a few dozen, or perhaps few hundred, political culprits for Kadarism that integrated—although to quite different degrees—a very significant segment of Hungarian society. "Our objective with these laws is not

to allow anyone to say of this nation that it is a guilty nation, a collaborating nation, for we are none of these" stated Imre Konya last Wednesday in parliament. The MDF faction leader does not seem to be bothered anymore by the anxieties he expressed with resignation hardly more than two years ago. "On the one hand, the communists trampled people into a lack of ideals. On the other hand, people accepted this. The 1956 revolution is a point in world history that this nation can be proud of. But, I do not know how many hundreds of thousands of people were still present at the Kadar regime's celebration of 1 May 1957. The nation became its own traitor during those three decades. It must give account to itself with regard to this period," we read in the volume of portraits entitled "Roundtable of the Opposition." Thus, the viewpoint of the Independent Lawyers Forum's former president is one which is strongly opposed by the MDF faction leader.

Incidentally, in 1990 it was only the programs of Jozsef Torgyan and some other marginal parties in which the "warming up" of political crimes that are beyond the statute of limitations was included. The passing of the Zetenyi bill is an unequivocal indication that the government's line has shifted during the past weeks toward the FKGP [Independent Smallholders Party] chairman's radical right-wing line. During the past months, the MDF appears to have given up its moderate policy which it promised during the election campaign and to which it adhered to for a few months after forming the government. The possibility of further escalation of the attacks on former MSZMP [Hungarian Socialist Workers Party] officials cannot be excluded either. It is not inconceivable that, after reviewing the statute of limitations of the most serious crimes, the government would sooner or later launch an extensive purge of communists from public offices—another element of Jozsef Torgyan's political script. Accordingly, in following the Czechoslovak model, for instance, former members of the state party would be ousted for several years from leading positions. The persons concerned could probably view it as a warning sign that certain personalities of the coalition launched powerful attacks during the past weeks against several former MSZMP members in leading positions, above all against the chief prosecutor, the president of Hungarian Radio and a few members of the Constitution Court, who without exception were nominated by several parties and elected to their present positions in the past two years.

The stories of the Zetenyi bill and the draft bill on agents are also an indication that these calls to account may involve increasingly large groups. Even those who proposed the abrogation of the statute of limitations added another one to the two crimes originally mentioned and, presently in connection with the III/III bill, some representatives want to include yet other officials on the list of persons to be investigated. The "purge of agents," which, according to government plans, would involve 5,000 to 10,000 persons (VILAGGAZDASAG, 18 May 1991), may involve even twice as many people according to

parliamentary proposals, for certain representatives are urging to investigate, in addition to high university officials, all elementary and secondary school principals and even the CEO's of all businesses in which the state owns any number of shares. One reason why the expansion of the list of potential subjects of the agent bill calls for serious reservations is that it would further enlarge the circle of excommunist leaders who could be blackmailed by the establishment because of their "past record."

The opposition has been observing rather helplessly how the government coalition has become more and more radical since the publication of Konya's paper; indeed, from time to time it even assisted in extending the influence of the executive power. The SZDSZ's [Alliance of Free Democrats] tacit support of Zetenyi's attenuation of the norms of criminal law resulted in an unprecedented disillusionment among SZDSZ sympathizers. But it seemed equally incomprehensible that the entire parliamentary opposition seemed in the end to be willing to vote last Monday for placing the judicial bench under government supervision. This may mean nothing less than the fact that, in the Republic of Hungary, not even the judiciary will be able to efficiently counterbalance the joint interest of the parliamentary majority and the government.

Orban Strongly Criticizes MDF, Coalition

92CH0182C Budapest MAGYAR HIRLAP
in Hungarian 23 Nov 91 p 4

[Report by A.F.: "Orban: The Coalition Morally Discredited Itself"]

[Text] Hungary's general political situation can be described by evaluating the economic situation, by looking at the situation in the constitutional system of institutions, and by analyzing the political culture, said Viktor Orban in his talk given at the Hungarian Political Society.

In talking about the economic situation, he stated that there are indeed certain achievements to be recognized, e.g., the slowdown of inflation, the increase in money and foreign currency deposits, the balance of payments which is as expected—all this means that the situation is not hopeless. But it is a negative sign that the institutional system is unable to deal with increasing unemployment, and that there are no guarantees that the positive achievements can be maintained over a period of time.

FIDESZ [Federation of Young Democrats] faction leader Orban assessed the building of a constitutional system of institutions in the past year and a half as successful, adding that there were disagreements, of course, about the sphere of authority of the president of the Republic or the Constitution Court, for instance. The latter also suffered from nasty provocations, including the one by the MDF [Hungarian Democratic Forum] faction leader when he cautioned the Court in his letter

last spring not to review laws made before the change of regime. In Viktor Orban's opinion, the greatest problem in this area is that the principle of the government being responsible to Parliament has not been implemented. He thinks the reason for this is the simultaneous adoption of the institution of constructive mistrust and the ministers' release from responsibility, resulting in the fact that the prime minister, who is responsible for his ministers, cannot be called to account. He also called it problematic that, in reality, the government is not functioning as a coalition. On the one hand, the KDNP [Christian Democratic People's Party] is not a government alternative, which is also indicated by its single ministerial post. Furthermore, the strength of the party's institutional network is based exclusively on the clergy. On the other hand, the FKGP [Independent Smallholders Party] is not in a negotiating position. As a result, prime minister Antall can deal with party chairman Torgyan any way he wishes—for which not a single example can be found in the coalition governments of Western democracies—and this has nothing to do with what kind of politician Torgyan is, stated Orban.

He added another concern to all this, namely, that no institutional relations exist between the government and the MDF faction, the relations between the representatives and Jozsef Antall being based only on a psychological element. Which means that the head of government is "considered a messiah" by his representatives, weighing not his actions as head of government but rather their trust in him.

Turning to the issue of political culture, Viktor Orban stated that the behavior of the government parties is not up to par with what is required by a system of democratic institutions. The frustration of the coalition parties grows as social tensions increase. Instead of realistic solutions, they employ "drugs" in such cases, creating enemy images. They can be easily caught in the act when, instead of discussing the budget bill, they bring the III/III draft into the center of attention, or when they employ the practice of developing coalition team spirit for the purpose of again making the professional budget issue an issue of trust by proclaiming, "he who is Hungarian will vote for it." In Orban's prognosis, no change is expected in this regard in the next two years; the situation will become permanent.

In replying to questions, Orban said that no unified opposition exists, but that this is not bad, for the function of the opposition parties is not to establish coalitions ahead of time but to formulate their own government alternatives, to strengthen their bases and apparatus, and to put their finances in order.

Orban thinks that the coalition has discredited itself morally, that it is handicapped, and that this makes it unnecessary for the opposition parties to concentrate on discrediting the government. In his opinion, four government alternatives may emerge in the next elections. The MDF could represent the conservative alternative if it goes through a change; the SZDSZ [Alliance of Free

Democrats] could represent the social-liberal alternative if it survives its crisis; the FIDESZ could represent the liberal alternative; and the MSZP [Hungarian Socialist Party] could represent the social-democratic alternative.

In his view, the latter is implementing a successful parliamentary strategy, freeing itself from the shackles of being a successor party, and possibly becoming a serious competitor. Regarding the chances of the liberal parties, he said that although he is confident about success, the FIDESZ and the SZDSZ together will probably not get more than 50 percent of the votes in the next elections. This is why the main question may be who their partners should be in the future. In this respect, the MSZP, the changed MDF or even the KDNP—if it will abandon its way of conducting politics on the basis of ideology—may come into the picture, said Viktor Orban.

Gypsies Demand Minority Bureau Official's Recall

92CH0182D Budapest MAGYAR HIRLAP
in Hungarian 26 Nov 91 p 5

[Article by Z.O.: "Romaparlament: Bathory Should Resign"]

[Text] Representative Aladar Horvath (Alliance of Free Democrats [SZDSZ]), president of Hungary's Romaparlament, held a briefing regarding the Rackeve pogrom, the skinheads beating up Gypsy children in Eger, and the antiminority and expressly anti-Gypsy tone of an increasing number of articles in the press. He stated that in the past 20 years no such brutal and inciting attacks against Gypsies have occurred as in the past weeks. In his opinion, Janos Bathory, deputy director of the Bureau of Nationalities and Ethnic Minorities, has openly attacked minorities. The government official, considered by many a Gypsy minister without portfolio, spoke of Gypsy crime, although this term was abolished in 1989.

Police major Gyula Borgulya also attacked Gypsies in the PESTI HIRLAP's series "Cry, Magyars!" His words fit the definition of violating the Constitution and instigating against the community. Aladar Horvath filed charges both against the writer and two staff members of the newspaper.

The representative learned that the petition connected with the Holy Crown lawsuit is still before the Constitution Court, which is examining whether or not limitations on the freedom of speech is unconstitutional. The chief prosecutor will reject the request for filing charges until a decision is made.

Wallenberg Association representative Zsolt Csalog thinks that during economic crises it is almost natural that tolerance toward anything or anyone different or toward minorities—especially those with apparent physical differences—diminishes. Those who instigate and tolerate these feelings carry a great responsibility.

In its petition, Romaparlament asks Prime Minister Jozsef Antall how the government could put a politician in a responsible position whose actions are considered antiminority by the minorities themselves.

In their statement (the local government of Budapest's District VIII also issued a similar statement), participants of the Roundtable of Hungarian Nationalities and Ethnic Minorities emphasize that endangering the existence of Hungarian Gypsies threatens the balance of society as a whole in addition to blatantly violating the principles and European norms of humaneness. The Romaparlament, representing 150,000 members, demands Janos Bathory's replacement.

Demszky Ignores Potential Foreign Investor

92P20085A Budapest HETI MAGYARORSZAG
in Hungarian 15 Nov 91 p 3

[Article by Balazs Szuhay: "Poor Budapest"]

[Excerpts] When Gabor Demszky was elected mayor of Budapest, one of his first statements was that he would always receive anyone who had a complaint or suggestion. At the time, thanks to the local program of the Budapest television station, all of us witnessed our mayor trying to fulfill his well-meaning but rather naive promise. The idea was proven to be a disaster on the first day of the mayor's "open house." [passage omitted]

Since then a lot of water has flown down the only functioning sewage system in Budapest, that is, the Danube, and it now seems that Gabor Demszky has gone over to the other extreme.

We learned from MAGYAR FORUM that an enthusiastic and influential compatriot of ours who lives in the United States—by the way, the same person who had been the financial sponsor and moral supporter of Demszky's American trip during the time when he was still in the opposition to the communist regime—sought out the mayor with a proposal for a 800-million-dollar investment. But his way was blocked by angry dragons: He would only be received by the great man if he submitted a written statement about the purpose of his visit.

In our Hungarian-American [Istvan G. Kovach], the feeling of having been insulted was overcome by his patriotism (in the United States they still remember what this concept means), so he wrote a letter to the mayor and asked him in a friendly tone to see him about his proposal for the 800-million-dollar investment. Then he patiently waited and waited for an answer, in vain. The head of Budapest, struggling with financial troubles, did not deem the proposal worthy of an answer.

Kovach, representing the National Association of Hungarian-Americans, because he is the investor in question, finally got tired of the month-long waiting. He stopped knocking on the door of city hall and turned to MAGYAR FORUM, where he publicized the affair in an article strongly critical of the mayor.

The television program "Nap-kele" [Sunrise] pounced on the affair and invited both Istvan G. Kovach and Gabor Demszky to appear. [passage omitted]

During the "confrontation" the mayor admitted that an "error" had been made. The letter—already signed by him—disappeared on the desk of his secretary. But city hall receives so many letters.... According to their calculations, he has already had to sign some 5,000 letters. Is it any wonder if some of them get misplaced?

During the conversation it also came to light what the Americans wanted to invest the 800 million dollars in. In exchange for the necessary land in Budapest, they plan to build a modern hospital, supply it with the needed equipment, and construct a dormitory for medical students as well. [passage omitted]

To risk losing a 800-million-dollar investment to build a hospital because of the sloppiness of city hall is scandalous, to say the least.

The question of how many similar letters might have disappeared is unavoidably raised. If one such case can occur, it can be suspected that others can also. Is Budapest so rich that nobody notices when a document of such importance is mislaid?

We cannot wonder then that the capital is getting dirtier and more and more rundown. What can we expect from the kind of order that reigns in city hall?

The mayor promised to discipline the responsible person. With this he deflected responsibility from himself. This affair cannot be closed, nor can order be restored, with reprimanding one scapegoat.

At the same time, Gabor Demszky categorically refused the conclusions that Mr. Kovach drew in the columns of MAGYAR FORUM. To a certain extent with some justification. It is by no means certain that he deserves to be accused of being antination and antidemocratic for just being sloppy. Even though the careless handling of such huge investment potential can hardly serve the interest of the nation and of Budapest.

Fortunately, Istvan G. Kovach has not decided to take this large sum of money somewhere else. Substantive negotiations are going to start soon. [passage omitted]

Unsettled Crude Oil Monopoly Situation Discussed

Crude Oil Situation Assessed

92CH0214A Budapest FIGYELO in Hungarian
21 Nov 91 p 1

[Unattributed article: "Where Does Crude Oil Come From?"]

[Text]

What did Yeltsin mean to say over the weekend? This question is being raised within the NGKM [Ministry of

International Economic Relations], the Ministry of Industry, Mineralimpex, and MOL [Hungarian Oil and Natural Gas Industry, Inc.], hoping that the restriction of Russian crude oil exports would not affect interstate agreements (which have been signed last Friday by the NGKM deputy state secretary and the Russian deputy minister for economics for 2 million tons in 1992). Whether barter transactions consummated by Hungarian entrepreneurs will be reviewed by the trading partners is yet another question.

Crude Oil Procurement Sources; First Half of 1991

Source	Percent
Soviet Union	40.7
Adriatic Pipeline	32.3
Domestic	27.0

Accordingly, this week's reports on events taking place at oil commodity exchanges are of particular interest.

According to a REUTER report no particular unrest can be seen in Hungary or elsewhere. Commodity exchanges trading in oil are very well aware of the fact that the Russians need revenues, and therefore they will act in a considered manner regarding the reduction of oil exports.

Crude Oil Pricing Examined

92CH0214B Budapest FIGYELO in Hungarian
21 Nov 91 p 15

[Unattributed article: "Oil Processing Is Not a Competitive Business"]

[Text] No competition is expected in the domestic crude oil processing industry within the foreseeable future because imports are inefficient and MOL, Inc., is a monopoly.

Disputes as to whether the OKGT [National Crude Oil and Natural Gas Trust], i.e., beginning on 30 September 1991 MOL, Inc., has abused its monopolistic situation during the first half of 1991, have come to a close last fall. At that time this newspaper has failed to provide an analysis, because in the course of debate passions rather than professional interests had clashed, whereas in reality some rather serious economic policy issues had been at stake. This is proven by a study prepared by the Bureau of Economic Competition for the government.

The former trust is a stock corporation today, its processing activities involve domestic crude oil to a smaller extent, and imported Soviet crude oil to a larger extent. The capacity of this group of enterprises is capable of satisfying twice the volume of demand presented by domestic consumers. Accordingly, purchasing domestic products is in the interest of the economy, and on top, if the domestic product is cheaper than the imported product, the consumer interest also coincides with the economic interest. But is it really cheaper? It is, because

the transportation costs of imported crude oil industrial products are extremely high. This is so because we have no pipelines, and only tanker trucks could be considered for transportation. And we would have to add to this some other costs related to customs duties and importation itself. But what does the relatively low cost of domestic crude oil processing mean to users? Users justly claim that the government—or anyone else—could force crude oil processors to manage their businesses more efficiently, and that MOL, Inc., should not be able to make indecent profits as a result of its high prices which also deny the competitive edge to users.

The competitive price established as a result of the agreement that concluded last year's taxi blockade authorized the OKGT (and today's MOL, Inc.) to set their own prices consistent with the prices of imported products. Import prices, however are much higher (by 30-50 percent) than production costs plus some profits, i.e., these prices do not establish barriers to price increases. This is why the Bureau of Competition recommends the establishment of a so-called ideal competitive price. The Bureau calculated this price by adding to the main market (commodity exchange) price of crude oil the transportation costs related to base materials. They did not add the transportation costs of finished products because such costs are not actually incurred in the framework of domestic production.

If the government agrees to this compromise and to other rules summarized in the box below, it could also establish a principle based on a practical decision in regard to the theoretical dispute between crude oil processors and the users of their products.

Determining the prices of crude oil products also affects the competitiveness of substitute energy resources. The prices of imported crude oil products calculated on the basis of transportation costs not actually incurred seemingly also appreciate the worth of domestic coal mining, thus providing a good pretext for making loss operations disappear. Although the council on competition condemned the OKGT with respect to small issues in its proceedings against the Trust and its member organizations, it has failed to do so with respect to the essential issue. The semiannual average of prices charged by the Trust were 1.9 percent higher than the ideal price calculated by the Bureau, as described above, and therefore everything appeared to be in good order.

[Box, p 15]

Antimonopolistic Rules Recommended by the Bureau of Competition for MOL, Inc.

—A unique definition of the jurisdiction and composition of the supervisory committee, ensuring the participation of leading user groups in the committee.

—Regulation of concessions in exploration.

—Linking access to pipelines to the opportunity to perform processing functions.

—Regulation and financing of reserves.

—Price regulation.

—Streamlining of customs duty levels.

—Determination of mining fees.

—Regulation of dividends.

Producer Prices of Main Crude Oil Products

First half of 1991, forint per ton

Product	Ideal Price	Weighted Semiannual Average of Actual Domestic Producer Price	Fictitious Import Price (commodity exchange quoted price plus freight plus other financial burden)	Percentage Deviation of Actual Price	
				From Ideal Price	From Import Price
				(actual price = 100)	
Gasoline	19,143	19,900	24,060	+ 4.2	- 20.4
Motor oil	17,260	17,165	21,880	- 0.6	- 27.5
Heating oil (1 percent)	9,438	11,223	13,460	+ 15.9	- 19.9
Heating oil (2 percent)	8,084	8,993	11,940	+ 10.1	- 32.8
Kerosene	17,929	19,035	22,680	+ 5.8	- 19.1
Household heating oil	17,310	14,939	21,950	- 15.9	- 46.9
Average	15,054	15,362	19,533	+ 1.9*	- 27.2**

Notes:

* We calculated the ideal price with the assumption that all crude oil had been delivered through the Adriatic Pipeline.

** Accordingly, in the average, the OKGT maintained its price level 27.2 percent below the potential import cost.

Source: Bureau of Economic Competition

Competition Official Interviewed

92CH0214C Budapest FIGYELO in Hungarian
21 Nov 91 p 15

[Interview with Ferenc Vissi, Bureau of Economic Competition chairman, by Erzsebet Eller; place and date not given: "Under the Pretext of MOL, Inc."]

[Text] The government has not settled the fundamental issues of energy policy—at least not publicly. And while it pretends that oil product prices are set by changes in the marketplace, the government suppresses with "good advice" the OKGT's [National Crude Oil and Natural Gas Trust] (by now MOL, Inc.'s) natural desire to make profits, as it turns out from the interview with Ferenc Vissi, chairman of the Bureau of Economic Competition.

[Eller] In reviewing the professional arguments presented by the Bureau of Competition as to whether the crude oil trust abuses its monopolistic situation, it seems to me that you are more critical of the government than of the group of enterprises. Is my understanding correct?

[Vissi] The just completed proceeding dealt only with the OKGT, therefore it could not have been critical of the government. On the other hand, it is true that we prepared a report for the government in which we stated that some fundamental issues remained unsettled and that this situation also created controversy in the oil refinery industry. Indeed, the truth is that while the

investigation revealed a few, small mistakes made by the OKGT for which the Competition Council assessed fines to be paid by the Danube Crude Oil Industry Enterprise and Afor, the conflict—insofar as the producer prices of crude oil products are concerned—is caused by the fact that the "appropriateness," the justification of these prices is being questioned from time to time and meanwhile they point fingers at each other. The present government has also inherited many concerns in the energy sector, and the collapse of CEMA also presented a challenge. Under such circumstances the government did not dare to take a firm position regarding pricing issues that emerged in the energy structure. It is hard to find out which energy source is expensive and what constitutes an appropriate substitution. In addition, the government inherited the OKGT as a monopoly. No concept has been developed to this date as to the streamlining of the interests of the monopoly with those of the country (the public).

[Eller] According to what you say, the decision reached at the time of last year's taxi blockade was not clear insofar as it required the adjustment of domestic producer prices to import prices.

[Vissi] This was a professionally unfounded, bad decision. Under conditions we experience today and will experience in the near future, import competition—or for that matter, any kind of competition—is inconceivable in this field. If there could be a competitive situation it would make sense to allow domestic prices to

freely evolve based on import prices. In practice, however, the greatest problem with prices (and price changes) established [or made] by the OKGT is that pricing cannot be calculated, and on top, arguments for price changes make reference to external market prices even on occasions when domestic price changes have nothing to do with foreign prices. This has confused everyone, and all we are saying is that having a monopolistic structure in a significant market like this pricing must not be regarded as an autonomous internal affair of the OKGT (MOL, Inc.). Similarly, one must not leave to the OKGT the transparency of rules and regulations, including price regulations. For this reason an ideal competitive price calculation could temporarily serve as a base, and the crude oil processing industry would also have to abide by that. Conformance with the ideal price should be mandated by the government or by the Minister of Industry.

[Eller] But how could central price regulation be consistent with the international practice you wish to follow? Isn't central price regulation the essence of your proposal?

[Vissi] First of all, we did not say that product prices be established as official prices, but instead asserted that it would be easy to establish a rule which, if observed by the monopoly, would produce much more societal and economic benefit than today's situation. On the other hand, informal and illegal direction, the way the government tried to persuade the OKGT during the first half of the year to take advantage of the opportunities provided by law, is inconsistent with international practice.

[Eller] You meant to say that it should not abuse the opportunities. Did you not?

[Vissi] No. That it should take advantage of the opportunities provided by law. Because these, too, provide for virtually limitless price increases and for the full exclusion of economic constraint by the OKGT. Accordingly, governmental regulatory functions must be performed in fields of the economy where no competition can be expected in the foreseeable future. Energy pricing policies, the ability of users of crude oil products to compete is not an internal affair of the OKGT as a monopoly. And as I have made reference to this already, the Ministry of Industry has sensed this and therefore directed the trust in the background "on the basis of it being the owner," so to speak. But why in the background? Regulations are consistent with international standards as long as they are openly promulgated and enforced. One need not be ashamed of issuing rules and regulations, because this is half the purpose of every government in the world; instead, one should be ashamed of the fact that a professionally bad decision could be made or that there is room left for rules and regulations not enforced in the plain view of the public.

[Eller] Ultimately, what do you expect the government to do?

[Vissi] Many things, but relative to this subject I expect mostly that they not fall for demagogic texts which suggests that any and all governmental regulation is harmful in a market economy. The situation has reversed itself: In the previous system the government wanted to regulate every detail, the present government abstains from regulating things that are accepted subjects of regulation in developed market economies.

[Eller] And are rules and regulations going to make the market function?

[Vissi] This may seem as odd, but every market is able to function by virtue of its existence, including monopolistic markets. The concern is that the buyer is generally badly off in a monopolistic market because he either loses his competitiveness or pays a disproportionate high price. This kind of thing does not occur in places where there is competition. Accordingly, short of some better means for this purpose, deviations must be minimized by rules and regulations in a monopolistic market where competition does not exert its effects. And we must distinguish between three types of regulations, each performing different functions. First, there are rules and regulations which establish limits to the activities of monopolies; the monopolistic market must not exclude the market presence of others even though it would do so for its own sake (concessions present a situation like this, or the use by others of a conduit owned by someone). Rules determining the framework in which pricing takes place also falls into this category—the levying of special taxes (e.g. mining fees), etc. The important thing is that these rules must be established because short of competition there is no other way by which monopolies could exist under the constraint of authorities.

The second type of "regulation" presents itself as a result of the existence of institutions which oversee business life. Here we may consider supervisory committees which also serve the interests of buyers, or perhaps a certain institution which enforces industrial policy, or even dividend policies.

The third type of regulatory system manifests itself in our existing competition law, which, in a manner similar to the developed western world, supervises the abusive conduct of monopolistic sellers in the marketplace. In other words, the institution acts if a monopoly abuses its superior power or pursues some other unfair practice. I called the attention of the government to the fact that deciding economic policy issues, the regulation of monopolies and the competition law are not mutually exchangeable, and that the three are jointly capable of establishing a well-functioning market in the field subject to examination. This is so because the competition law cannot serve as a substitute for positions taken in the framework of economic policy or for the lack of regulating monopolies, and one cannot perform the function of the other two. Incidentally, my recommendation to "regulate" is independent from wars and international conflicts that influence the oil market.

[Eller] Could this concept be applied to other monopolies?

[Vissi] It could be applied as a concept or as a framework, but there may be several kinds of specific solutions. Monopolistic situations are enjoyed for example by MAV [Hungarian State Railroads] in cargo transportation that cannot be accomplished on public roads, the Postal Service with its basic service provisions, or MATAV [Hungarian Telecommunication Enterprise] insofar as long distance communication is concerned, and by the electrical works in providing electric current.

[Eller] Would the introduction of a concession system resolve the problem of abusing monopolistic power?

[Vissi] Only in part, because many kinds of abuses are possible. Concessions themselves are monopolies, but it is possible to grant concessions based on many criteria. Even though we have a law governing concessions at the moment, it has not been possible to consummate a single concession agreement under this law. This situation has evolved because laws governing details in the various branches are still missing.

[Eller] Many anticipated an end to the monopolistic situation with the transformation of OKGT into MOL, Inc.

[Vissi] The monopolistic situation has not changed at all as a result of the establishment of MOL, Inc.

'Holding Corporation' Power Salvaging Detailed

92CH0215A Budapest FIGYELO in Hungarian
21 Nov 91 p 17

[Article by Ervin Zsubori: "Vacated State Enterprises; 'Holding' the Hungarian Way"]

[Text] During the interregnum prior to the establishment of the AVU [State Property Agency] some rather "interesting" types of enterprises have been established. One of these peculiar, elaborate establishments is the so-called vacant or vacated state enterprise, which mostly resembles holding corporations known in market economies, but in reality have nothing to do with their Western fellow holding corporations.

The story has its beginning in the decades of economic development labeled as socialist, when most huge enterprises were established in total disregard of economic rationale. On occasion, the promotion of a county party secretary to the Central Committee sufficed as grounds for the establishment of such artificial formulations which forcefully joined together the greatest variety of activities, and at the Central Committee the party secretary willingly represented the interests of one or two enterprises in his county. But the obvious hidden guiding principle was to exert as much as possible central control over economic factors.

With the exhaustion of economic resources and as central subsidies dried up in the late 1980's, these conglomerates—often incorporating 10 or 15 factory units—experienced crisis situations. The leaders of these firms, promoted to be called 'managers' by then, reacted in different ways to the crisis. Quite a few of them understood the "message of the times," and created stock corporations out of the units under their management by taking advantage of missing regulation, or perhaps of opportunities presented by inadequately considered rules and regulations. Quite a few of them did so with good intentions hoping to resolve the mounting operating problems, while others acted on consideration of preserving their power and positions. This is how the ominous vacated state enterprises came about. In some instances they have no real, tangible assets at all, but as founders of corporations over which they enjoyed majority control, they—as well as their staffs—preserved their power and influence over the seemingly independent units of the enterprise.

After a while these corporations began to struggle with the same problems as they did when they were factory units of large state enterprises. Transformation alone meant no redemption to them, because it was not easy to create strongly capitalized, marketable corporations out of state enterprises struggling with acute shortages of capital and with obsolete production structures, without injecting capital and without substantive streamlining. This kind of thing did not take place in these firms. Instead, the corporate headquarters shifted the burden of all of the former large enterprise's debts to the new corporations, thus placing these entrepreneurial ventures in even more difficult situations.

Meanwhile the AVU became established; aside from directing privatization, its chief function is to protect the state's property. In performing the function of protecting state property it soon became evident that a majority of the vacated state enterprise headquarters did not manage well the property entrusted to them. From the standpoint of the state—the ultimate owner—these headquarters appeared as being wedged in between the productive unit and the owner which skim and make disappear the profits that might have been earned. This occurred not only as a result of expending by far not negligible amounts for the maintenance of staff, but also in other, indirect ways. For example, in a manner similar to the customary practices of previous decades, profits of successfully operating corporations have been reallocated to loss operations through various cross-financing arrangements thus making the owner's profits disappear. Such transactions essentially conserved the earlier large enterprise structure, sustaining the nonviable branches and plants. All this has been done to hold together the conglomerate, while preserving the former managers' own importance and power.

One method by which theoretically independent companies may be held together is the retention of fundamental means of production by the founding enterprise, and the mere leasing of the same to the new corporations. Other

examples exist in which means of production had been transferred to the new enterprises, but real property had not. On occasion, all this resulted in situations in which the former hands-on management survived virtually intact, and in which the newly established limited liability corporations and stock corporations were barely different from the former factory units in terms of dependence, and despite the changed corporate signs.

As we learned from AVU Deputy Director Bela Bokodi who is in charge of these matters, the AVU has no accurate figures regarding vacated enterprises. Similarly, one cannot tell the number of instances in which this kind of incorporation is justified, alternatively, where irrational structures exist and the related preservation of power serves as the motivating force. Only upon detailed, case-by-case examination would it be possible to decide whether the activities held together by headquarters were truly interdependent. The possibility of privatizing these enterprises could also be decided only on the basis of case-by-case examinations.

Considering all the above, the AVU does not have a separate program for the reexamination of this group of enterprises—at least for the time being. But the second privatization program includes several firms like these. In implementing the second privatization program the AVU will try to put back on their feet the enterprises which appear to be viable, and will discontinue the ones which produce losses in the long term. If warranted, they will also maintain the enterprise headquarters, but it is likely that a majority of these vacated firms will sooner or later be liquidated.

From among the enterprises affected by the second privatization program the saleable corporations of MOM [Hungarian Optical Works] will be sold and the state enterprise will be terminated. This, however, is not likely to take place prior to 1993: It takes this long to fairly settle the old enterprise's obligations and debts. The AVU has commissioned international experts to examine which parts of the enterprise called Grabocenter's structurally joined units should be kept together. The state enterprise is expected to be discontinued during the first half of 1992 at the Csepel Clothing Industry Machinery Works, units of the factory having different profiles will be sold individually. At SZIM [Machine Tool Industry Works] plans call for the privatization of saleable units during the first half of next year, while the remaining units will be transferred under AVU property management. This may serve as a certain guarantee that assets will not be squandered in order to maintain an operating capacity. Relative to the Screw Industry Enterprise the AVU decided to discontinue the vacated state enterprise within six to eight months. AVU has already initiated liquidation proceedings relative to Elegant 1 May Clothing Factory.

In the future, vacated enterprises are most likely to be transferred into state holding corporations to enable AVU to directly enforce the state's ownership rights, according to Bela Bokodi.

Over 1,000 Bankruptcy Cases in Process

92CH0185B Budapest NEPSZABADSAG in Hungarian
22 Nov 91 p 5

[Unattributed report: "More Than 800 Bankruptcy Cases"—first paragraph is NEPSZABADSAG introduction]

[Text] The number of liquidation processes is increasing: By 31 October of this year, a total of 884 processes had been initiated. The judges are finding it harder and harder to handle the increasing number of cases, we learned from Budapest Court Vice President Sandor Piskolti.

Small cooperatives are still leading the list of requests for liquidation: 352 such proposals are waiting on the desks of the judges. Limited companies come in second: A liquidation process has been initiated against 243 limited companies. But the number of enterprises is also increasing, with 168 enterprises on this year's list. The various agencies initiated a total of 884 cases.

Looking at the cases from the viewpoint of who initiated them: A smaller part of them (a total of 198) have been initiated by the involved firms themselves, the state legal supervision agency and the State Property Agency initiated one case each, parent companies have initiated three, and most of the cases, a total of 681, have been initiated by creditors. The latter includes nine cases initiated by banks, 17 by social security agencies, 56 by APEH [expansion unknown], and 599 by various creditors.

A total of 1,294 cases are pending at present. The judges are finding it harder and harder to handle the increasing number of cases and think that the situation will get worse next year when the bankruptcy law goes into effect.

Judges Struggling With Flood of Economic Cases

92CH0185A Budapest NEPSZABADSAG in Hungarian
23 Nov 91 pp 1, 8

[Interview with Budapest Court Vice President Sandor Piskolti by Judit Kozma; place and date not given: "Economic Judicature Is in Bankruptcy"]

[Text] "When a court can handle only one-third of the cases it receives, then that court is not functioning; this is the present situation in economic judicature," said Budapest Court Vice President Sandor Piskolti, director of the economic council. There are too few judges, we lack the means, and our slow administration actually ruins companies. Billions are frozen in economic litigation when the national economy could benefit from this money.

[Kozma] Economic judicature used to be reputed not for being overburdened but for being swift. Actually, since when and to what extent have economic lawsuits multiplied?

[Piskolti] Their number grew to an unprecedented level during the past two to three years. A big change took place in 1989: On the one hand, it was then when it became possible for a firm to have several accounts at various banks. This made it impossible to assess whether or not a

firm had any money. On the other hand, an order was also issued, according to which only adjudicated claims could be collected. Thus, it is useless for a firm to acknowledge its debt, the creditor still has to go to court with the payment authorization before he can go to the bank.

These changes are also reflected in the number of cases. While, for instance, a total of 6,900 lawsuits were filed at our office in 1988 in addition to 11,000 payment authorizations, a year later 8,400 lawsuits and 31,000 payment authorizations were filed, and these figures are still growing: last year they reached 16,400 lawsuits and 64,000 payment authorizations, and this year we are doing even better: Now, in mid-November, the figures are 16,347 lawsuits and 53,000 payment authorizations. This is a volume of cases that we simply cannot handle with our present staff and equipment. So we are constantly behind—at this moment, more than 14,000 lawsuits are in process, the total amount in dispute being 18 billion forints. This makes it apparent that billions are frozen which, under normal circumstances, could benefit the national economy. Payment authorizations also involve very large sums; for instance, the amount in dispute in last year's 64,000 cases was in excess of 45 billions forints.

[Kozma] How can your clients do without these enormous sums of money?

[Piskolti] With difficulty. Normally, we could issue a payment authorization in 18 or 20 days; now we can only issue one in an average of 90 days. Of course, the credit clock is ticking in the meantime, interest on frozen debts must be paid, and this puts an excessive burden on firms with small capital. We are pushing firms into bankruptcy by not allowing them to get their money.

[Kozma] By the way, bankruptcy. Firms subjected to a liquidation process are also complaining: the processes are dragged on for years instead of being taken care of by swift action. They claim that they must stagnate for a long time in a bankruptcy situation. Why is this?

[Piskolti] They are justified in complaining, for the situation is not any better in that area either. I will give you a few figures. Since September 1986, 2,118 requests for a liquidation process have been filed in an increasing number from year to year. To date, we were able to close only 824 cases, thus, 1,294 are still in process. This means that, our greatest efforts notwithstanding, we can only handle one-third of the new claims filed each month. Which means, in practice, that our court is not functioning. And this situation is expected to get worse next year, for the new bankruptcy law sets a deadline of two years for closing each case. Thus, we must begin the new year by first dealing with cases that have been dragging on longer than that—but I do not know what we are going to do with them.

[Kozma] What help are you hoping to get?

[Piskolti] First of all, we hope to be able to hire judges, we have ten vacant positions at present. True, they would have no place to sit but we were promised that our

space problems would be solved by next March at the latest. But this would not solve everything; in order to carry out our increased tasks, we would need an additional 18 judges and 36 administrators as well as computers, fax machines (we have none at present), and a main telephone line so that we could get in touch faster with the involved firms. This may seem a significant addition to our present 52 judges but, on the one hand, our tasks are increasing at an even faster pace and, on the other hand, these needed investments could free the frozen billions more rapidly. This, I think, would warrant some investment.

Livestock Decrease Reaches 'Disturbing' Levels

92CH0185C Budapest NEPSZABADSAG in Hungarian
22 Nov 91 p 5

[Unattributed report: "Livestock Is Decreasing"—first paragraph is NEPSZABADSAG introduction]

[Text] Hungary's livestock is dwindling away at an alarming rate. The hog stock has decreased by more than 20 percent, the beef cattle stock by 6.2 percent, poultry stock by 18.4 percent, and sheep stock by 20.1 percent as compared to last fall.

The country's beef cattle stock was about 1.5 million at the end of September, which is approximately 100,000 (6.2 percent) less than at the end of the same period last year. This category of livestock has decreased by about half a million (25 percent) during the past 10 years. The decrease took place mainly at the large enterprises, above all in the cooperatives. Small farms saw a 1-percent increase. With the exception of Bekes County, the beef cattle stock has decreased in all counties, as reported by MTI.

The hog stock was 7.49 million at the end of the third quarter, 2,012,000 less compared to September of last year, and the sow stock of half a million has decreased by about 160,000 compared to the previous year. The hog and sow stock has not been smaller since 1970. The hog stock's decrease was in excess of 400,000 at enterprises and business associations while their sow stock decreased by only 9,000. The decrease was largest at the cooperatives, reaching half a million. Small farms also saw a 20-percent decrease in livestock, which is more than a million animals, although they still raise 53 percent of the country's hog stock. On the other hand, the largest decrease (123,000) in the sow stock occurred on small farms.

The poultry stock was about 48 million on 30 September, 18.4 percent (10 million animals) less than in the previous year.

There were a little more than one million sheep in the country at the end of September, which is 20.1 percent (253,000 animals) less than in the same period of the previous year.

Buying has also decreased during the first nine months of this year as compared to the same period of last year.

Security Requires Firm Eastern Foreign Policy

92EP0139A Warsaw ZYCIE WARSZAWY in Polish
11 Dec 91 p 3

[Article by Wlodzimierz Konarski: "Poland's Security Problem: With the West Towards the East"]

[Text] Europe and the world are becoming increasingly fascinated with the development of the situation between the Bug and Vladivostok. We in Poland are too, but probably not so much as we should, or not always in the way we should, because there are people in Poland who do not understand what an enormous influence the shape and content of what is created out of this collapsing Eurasian power will have on the security of Europe, and hence on our fate too. There can be no stable and truly peaceful Europe without our eastern neighbors' participation in it. The West has been certain of this for a long time. It has therefore been trying to do everything possible to show good will and extend assistance both to the shaky central authority and to the republics striving for independence. It acts with care and caution, to avoid antagonizing any political powers striving for power either in Moscow or in the republics.

Drawn into the arms race for decades, the Western countries now want to take advantage of the opportunity and not let a military threat arise in the east again. The road to agreements and negotiations begun back before "perestroika" produced such good results that it naturally wants to continue down the same path, and it is much easier to do this with a single partner. Nevertheless, the West is flexible, and when it seems that it cannot overlook such important future partners as Russia and Ukraine, it is ready to decide quickly to enter into a dialogue, thereby proving it is realistic.

What Sort of Eastern Policy

The West can judge the content of it ahead of time only if it is dealing with a single stable partner that it knows well. The USSR was such a partner. Today, nobody can ultimately guess yet whether there will be one partner or many. What is more, despite its possibilities, the West understands that it has no real influence over the development of the situation within this eastern power. Pragmatic conclusions emerge on their own: Demonstrate good will and extend assistance to all the major actors on the Soviet scene, so long as the game goes on. Act in such a way so that the future victor or victors are not adversaries but partners ready to enter into enduring mutually beneficial agreements with the Western world. Up until now it has been hard to find fault with this policy. And if so, then it is a policy worth encouraging, because there is no alternative.

Poland has become an associate member of the EEC. We are striving for closer cooperation with NATO. Eastern policy is of tremendous importance to the countries that belong to these organizations. It is important that in joining them, Poland not merely be a beggar constantly asking for something, but that it also be able for its part

to offer a contribution that is of interest to the Western countries. This is not possible in economic matters, but it is entirely realistic in two interrelated areas: international security and eastern policy.

A critical discussion has been going on in our country for many months now about what Poland's eastern policy is and should be. Nobody has come up with a better concept than the one practiced by the West. Therefore, everything goes to show, that is, both our new obligations and sound reason, that we should act together. This is especially justified, because NATO and the EEC have taken a joint stand on the matter. None of the Western countries say that this violates their sovereignty.

Enter Ukraine

The world political scene has recently been dominated by the emergence of an independent Ukraine and Gorbachev's ineffective efforts to create a new form of confederation of the republics. Everyone in the world agrees that the issue of recognition and the future policy of Ukraine have an important international and strategic dimension. This is therefore a question not only of bilateral relations but a problem concerning the security interests of many nations, including the Republic of Poland. Poland's recognition of the Ukraine can be easily justified in terms of the irrefutable necessity of maintaining good relations as neighbors, but before such an important decision is made, it is always worthwhile first to at least tactfully inform those particularly interested in it and affected by it. Washington, Moscow, and Brussels are among those capitals where, by using preliminary diplomacy, we can later count on mutual understanding in other matters of importance to us. This may have happened, because if not, such an oversight would imply a lack of professionalism, a quality much respected in world politics today.

In order to wage an effective eastern policy in concert with the West, we need by no means relinquish our own action creativity. Poland is a neighbor of the nations of the former USSR, and everyone understands this, but in matters of great strategic importance, our ambitions should be very modest, and we should act in concert with the countries we want to approach.

In order to have an effective policy that is useful for our interests and respected in the world, alongside the proper concept, we also need to have the right people who are on a high professional level, because it is they who carry out the concept. Without such people, even the best ideas will not produce the results anticipated. Our central administration seems to lack such people, but time is running out fast in the east, and time waits for no one. Who knows how long the eastern opportunity will still be open to Poland?

Opposing Processes

West Europe began an irreversible process of forming a union in which formal territorial sovereignty is pushed into the background. This will be a community that goes

beyond the outmoded classical notion of sovereignty and independence. On the other hand, these values in and of themselves are still of supreme importance. After years of suppression, they are making their way. The disintegrating USSR, and Yugoslavia too, are giving way to a multiplicity of sovereign national entities. If this process does not stop, the question will arise as to where the limit is to the disintegration of the former Soviet state, which after all had more than 100 nationalities.

East-Central Europe is midway between these two great processes, which are having an impact on it and will continue to do so. Full inclusion in supranational systems of cooperation arising in the West therefore hold great importance for this part of Europe in which we live. The operation of these structures based on many years of experience will not change quickly, simply because new partners from the east become part of it. Instead, the newcomers should learn how this all works as quickly as possible, in order to avoid stumbling and making mistakes that will have to be made up in years to come.

There can be no such fumbling on matters of international security in Europe. In relation to our eastern neighbors, the West has not made any up until now, because it is well aware of the high stakes. If several nuclear powers replace the USSR, then a new military threat may be created in the east, the very thing Western policy is designed to avoid.

Despite the opinions of some, the picture of the situation today is not unequivocally pessimistic yet, but the new countries are reacting to external signals. They are giving assurances that they want to carry out the international military-political agreements previously established. If this information proves correct, then this will be a good sign for Europe, and especially for neighboring Poland, because it will mean that Ukraine and Belorussia, along with Russia and the Baltic states, are beginning to look to a safe and stable Europe, which does not want to exist without them and cannot. Our country has its own role to play in the construction of a Great Europe, thus conceived. This emphasis in eastern policy can bring Poland more recognition in the West than we think.

Consequences of Soviet Collapse Examined

91EP0101A Frankfurt/Main FRANKFURTER
ALLGEMEINE in German 16 Nov 91 p 10

[Article by Michael Ludwig: "Anxious Glances to the East: The Collapse of the Soviet Empire and Its Consequences for Poland"]

[Text] Warsaw—The latest decisions of the Ukrainian parliament concerning the creation of armed forces of its own have caused concern in Warsaw over the future course of the eastern neighbor. In the "Center for International Studies in the Senate," they make no secret of the sympathy for Ukraine's striving for independence. Deputy Director Hajnicz of the institute says the incorporation of the western Ukraine into the Soviet empire really has to be regarded as one of Stalin's biggest

mistakes from Moscow's point of view; for in Eastern Galicia—as the region was called prior to World War II, when it still belonged to Poland—Ukrainian national consciousness has best survived the Russification policy of the "Great Leader" and his successors, Khrushchev and Brezhnev. This national consciousness radiated to other parts of the country and substantially influenced the democratic movement. Ukraine now has a substantial share in gradually breaking up the monolithic Soviet Union once menacing Poland. But this process, too, in which increasingly sharper Russo-Ukrainian differences develop, is fraught with danger for the neighbors, according to Hajnicz.

The Russians, who regard themselves as the real heirs of the Soviet Union, see their national interests jeopardized in many respects by the policy of Ukrainian leadership. In Warsaw's opinion, three areas of conflict emerge in this connection: the nationalization of the security and military policy, the future of the Russian ethnic group in Ukraine, and the association of the Ukrainian industrial regions.

If Ukraine established its own armed forces and pulled its soldiers out of the Soviet Army, the latter would be impaired in its functional efficiency; for not only a part of the officer corps but also a large number of the noncommissioned officers are of Ukrainian descent, they say in Warsaw.

However, it is assumed in Warsaw that the dispute over the ownership of the Soviet nuclear weapons is being used by the Ukrainian side above all as a form of political pressure on the path to independence and possibly as a device to push through financial demands against Moscow. The dispute thus far has hidden the fact that biological and chemical weapons are also stored in the region. There will undoubtedly again be disputes between Russians and Ukrainians over rights to their possession.

The future of the Russian ethnic group and of the Ukrainian industrial regions is also in dispute between Russian and Ukrainian politicians. The Russians now constitute about one-fifth of the over 50 million population of Ukraine. In industrial cities of the east, such as Dnepropetrovsk, Donetsk, Kharkov, or Lugan, the share of the Russian population is between 25 and 40 percent; in the Crimea, which was awarded to Ukraine after World War II, it is 60 percent.

In the Warsaw "Center for International Studies" the fierceness and irreconcilability with which high-ranking Russian politicians and representatives of Ukraine confronted each other was witnessed a few weeks ago when these questions were discussed. Even the democratic Russian politicians did not leave any doubt that they would not agree to the independence of Ukraine within the present borders. In case of a complete severing by Ukraine of all ties with Russia in a new union, the Ukrainian borders would be up for discussion. At a moment when the threat by an aggressive Soviet Union

of the "old type" is getting more and more improbable, but new conflicts on Soviet territory instead are in the offing, Poland is not in a position to play the role of mediator. On the other hand, Poland is directly affected.

Ukraine's striving for armed forces of its own, numbering about 400,000 men, makes new negotiations on the reduction of forces in Europe necessary. The problem of regional security also arises differently than heretofore. The first deputy of the chief of the Polish general staff, General Puchala, recently expressed the opinion that, because of the changed political situation, he sees "new aspects in the matter of the ratification of the Vienna disarmament agreement (VKSE [Negotiations on Conventional Forces in Europe]) by the countries that have not yet done so, including the Soviet Union."

Similar fears were also expressed regarding the Polish-Soviet agreement on troop withdrawal and troop transit, which was almost completed with a great deal of effort. Nowakowski, the director of the "Center for International Studies," wrote in *RZECZPOSPOLITA* that he would not be surprised if the republics of the former Soviet Union seeking independence, for example Russia, Ukraine, or Kazakhstan, demanded the renegotiation of the treaties. Furthermore, Warsaw is aware that violent clashes in the east, for example between Ukrainians and Russians, would not leave Poland unaffected. It is feared that the consequences could possibly jeopardize all reforms in the country.

Polish diplomacy under Foreign Minister Skubiszewski has tried two different efforts to meet the threatening danger from the East. On the one hand, Skubiszewski has tried early on to establish relations with the western Soviet republics and with Russia—too hesitantly, as some now reproach him. In joint declarations with Russia and Ukraine, he demanded in the fall of 1990 that both recognize Poland's eastern border. A year later, Poland and Ukraine concluded a basic agreement on the regulation of their future economic relations, which will remain of extraordinary importance to Poland. This fall it was also possible to persuade the Belorussians to recognize the common border. On the other hand, since 1989, Polish foreign policy has tried to slowly bring the country closer to the West. Joining the EC and a close relationship with NATO were the principal goals. After the settlement of the border question with Germany, the help of the western neighbor, especially, was wanted in following this path—such was Warsaw's interpretation of the "German-Polish community of interests."

According to Warsaw's expectations, the collaboration of the East European reformers with NATO was to achieve institutional character and finally lead to expanding the security guarantee of the Atlantic Alliance to their territory.

Ambassador on Minority Issues, Means to EC

92EP0095A Warsaw *KONFRONTACJE* in Polish
No 11, Nov 91 p 11

[Interview with Janusz Reiter, ambassador of the Republic of Poland to the German Federal Republic, by Urszula Usakowska-Wolff; place and date not given: "Get Rid of the Hang-Ups"]

[Text] [Usakowska-Wolff] You have been Poland's ambassador to Germany for a year. During this time Germany has changed greatly. What do you see as the likelihoods or threats for the Polish-German agreement?

[Reiter] What is most important, in my opinion, is whether it will be possible to obliterate the economic boundary which separates West Europe from Central Europe. This boundary is specifically the Polish-German border. We are living in an transitional period, thus if the effects of this factual division of Europe are not yet painfully felt it is because we are living in the hope that the future will be better. But one cannot live in hope alone for very long. Most important of all is whether Poland will be able to create a strong sense of its own worth and the people get rid of the hang-ups which so vividly come to the fore in their attitudes toward the Germans. What we need is a feeling of success. And these are not the times when such a feeling is achieved against someone. Only jointly, with our neighbors, can this success be achieved. What is most important is whether we can overcome the crisis of identity which, in my opinion, exists in Poland. Cooperation with the Germans, therefore, should help us rebuild the sense of our own worth which has been shaken by these 40-plus years. In Germany itself, the Germans from the former GDR have a shaken sense of their own worth. The condition for real unification is precisely the rebuilding of a sense of their own worth by the people of eastern Germany. And on the international scale, in relations between Poles and Germans. I am referring to economic success. I am convinced that it is possible. Already today I see Poles who without any hang-ups are business partners with Germans. They do not feel that they are inferior because they come from the East. On the contrary, they are often clearly superior. Unfortunately, right now these are individual, not collective experiences great enough to produce any kind of social effect. Collective, or social experience, would make it possible for the Poles to look at many matters much more calmly, from a greater distance.

[Usakowska-Wolff] Before you left for your post you visited the German minority in Silesia and assured them that you will also be the ambassador of the Polish-Germans. Are you here, in Germany, also being regarded as their ambassador?

[Reiter] I am regarded as the ambassador of a state in which the German minority, as do the other minorities, have full rights and freedoms. This reveals itself both in daily experiences as well as in a way which is sometimes spectacular. For example, when the representatives of

the German minority were members of the Polish delegation which came to sign the Polish-German treaty. Over the course of this year the matter of the minority clearly lost its emotional character. Every interview does not begin with a question about the Germany minority. And that is the best sign. We can certainly wish for nothing better than that.

[Usakowska-Wolff] Is there a minority at all in Germany? Perhaps these are only people waiting to receive German citizenship?

[Reiter] No, that would be too great a simplification and really an insult, particularly to those who sometimes contrary to their own interests do not obtain German citizenship but retain Polish citizenship. Some people hold one citizenship and receive another; others are not allowed to do this. The former arrive here as emigrants and obtain German citizenship immediately. The others are Poles who can, through naturalization, obtain German citizenship but must give up their Polish citizenship and often they decide not to do so. There are a large number of these people, of different generations. They are here as refugees from the postwar years and for 40-plus years have refused to accept German citizenship. There are also the people who left Poland in the 1980s. They, too, could have German citizenship now, but prefer, as if for spite, to keep their Polish citizenship. Fortunately, the important reason why people felt somewhat forced to change their citizenship is no longer present—the humiliating necessity of standing in line trying to get a visa to the countries in Europe which border on Germany. The freedom to travel has had an important effect on the decision to change citizenship.

Is there a Polish minority in Germany? This is a large group of people who have strong ties to Poland, in the sense of national belonging, ties with culture and the Polish language. This is a heterogeneous group and perhaps for this reason it is hard to imagine that it could in some way be organized and integrated. However, particular parts of this group can be organized and integrated, and the majority of the people belonging to this large collective can only be encouraged to maintain, in some form, ties with Poland, with the Polish language and with Polish culture. As far as the emigrants are concerned, we can offer them a reasonable way to simply retain their knowledge of the Polish language, and through that, some kind of connection with Poland. But heaven forbid that we should want to re-Polonize them! The result would be exactly the opposite of that intended: Out of fear they will reject all ties with Poland.

[Usakowska-Wolff] Despite the fact that at home they speak in Polish?

[Reiter] Yes, but they regard that to be their own weakness and they try to bring up their children to speak only in German. We can try to attract these people so as to get them to behave normally. Not attempt to make of themselves in a short time 150-percent Germans, because that is phony. There is also a large group of Poles

who describe themselves as Polonia. Here various attempts at integration are underway, with various results. It seems that we can strive for some kind of loose form of integration, create some kind of plane of agreement—not political, because there can be no political integration here. Anyway, it is completely senseless in German conditions. This must be some kind of loose plane of meetings of various circles, of different interests, experiences, and political attitudes. However, as to a so-called “organization” which could lead these people to some kind of common goal—this would not happen and there is no point in even trying.

[Usakowska-Wolff] The coup d'état in the Soviet Union changed Poland's place in European politics. Will this have an effect on Polish-German relations?

[Reiter] We hope that this will make not only the Germans, but also the other West Europeans, realize the fragility of the balance in Central Europe—bordering on the Soviet Union, a great power, in which many things can happen to surprise us. And also, this will affect the attitude of the West primarily towards Poland, but also towards Hungary and Czechoslovakia; for example, in negotiations on the subject of association with the European Community. This is really something which should give pause for thought, have an effect not only about the thinking about the Soviet Union, but also about the thinking about Central European matters. Polish-German relations are an important part of these problems.

[Usakowska-Wolff] What, then, should be done under the current situation in Europe to bring Warsaw closer to Brussels?

[Reiter] I do not know whether Warsaw should be brought closer to Brussels. Warsaw is closer to Berlin, and it is closer from Berlin to Warsaw than from Berlin to Brussels. From Berlin to Warsaw is more or less equally close or equally far than from Berlin to Cologne or Bonn. This is a new perspective, therefore, which somehow changes the way of thinking on Central European matters.

[Usakowska-Wolff] To the good?

[Reiter] Yes.

[Usakowska-Wolff] As a journalist, you wrote about the situation in the FRG. Now they are writing about you. How do you accept this change of roles?

[Reiter] Painlessly, because first of all, journalism experience is incredibly useful in such work, and second, because journalism contacts and contacts with journalists are also useful. There is a kind of professional solidarity. The atmosphere is friendly. This is something that helped me incredibly and still helps me in Germany.

[Usakowska-Wolff] Thank you for the interview.

Political Mosaic of Parliament Presented

Parliamentary Clubs Described

91EP0137A Warsaw RZECZPOSPOLITA in Polish
11 Dec 91 p 3

[Article by Jerzy Pilczynski: "How Many Deputies' Clubs?"]

[Text] While Leszek Moczulski, head of the KPN [Confederation for an Independent Poland], is talking in the Sejm with journalists, he does not let go of his calculator, because it would be difficult now to make any political speculations without one. Parliamentary arithmetic has become very complicated. Voters sent representatives from 29 groups to the Sejm. Nineteen parties have fewer than six deputies, and 11 managed to make it into the Sejm with a single representative.

Sejm regulations are silent on the subject of the size of deputies' clubs, and the law on deputy rights and responsibilities that provides for the formation of clubs does not specify any minimum required to form a club. Therefore, one can only trust that reason would preclude the creation of clubs with fewer than three people, in keeping with the principle that it takes three people to form a club. Many "free shooters" will surely try to join larger clubs, in order to attain greater influence over the course of Sejm affairs, but this is not so certain, because if representatives of individual groups have the same rights as clubs, for example, the right to vote in the Seniors' Convention, it will pay the clubs to divide into the smallest units possible or else to resign from the clubs. This is one more argument for the Sejm regulations to establish the minimum number of deputies necessary to form a club. The first proposals on this matter have already appeared. People say the minimum should be 15 deputies, because this is the number of deputy signatures needed to draft a law to present to the speaker.

17 Clubs

Seventeen clubs were created in the Sejm at the beginning of the term. The largest is the Democratic Union [UD], which has 62 deputies and 22 senators, because the Democratic Union created a club of deputies and senators as other groups did. This is the way things turned out, despite the fact that at its first session the Senate amended its regulations to reduce the minimum number needed to form a club from 11 senators to seven, because only two groups had fulfilled the former requirement, Solidarity, with 11 senators, and the Democratic Union, with 21. Senator Andrzej Celinski also joined the Democratic Union. Senator Celinski had come into the Senate from outside the Democratic Union list. Ten club members belong to the Forum of the Democratic Right [FPD]. People at club headquarters deny that any factions exist within the KPUD [Democratic Union Parliamentary Club], but, to a certain extent, the FPD deputies emphasize that they are different. While the coalition between the center and the right was being created, the

KLD [Liberal Democrats Club] and even the PC [Center Accord] showed clear interest in the faction, but for the moment there is no sign of a split.

Some Leave, Others Join

The Alliance of the Democratic Left [SLD] was the first club for which any departures were predicted. Wlodzimierz Cimoszewicz said he would leave the club, unless the financial affairs ascribed to certain SdRP [Social Democrats of the Republic of Poland] deputies were clarified, but no split occurred. One factor tending to consolidate the club could be its isolation in the political arena and its decided role as an opposition group. From the very beginning, the club had 60 deputies and four senators. It can also count on support from another two or three unaffiliated deputies. One of them was Wieslawa Ziolkowska, who entered the Sejm on the Wielkopolska and Poland ticket. Deputy Janusz Szymanski, who had already been an unaffiliated deputy, left the club towards the end of the first session. The SLD therefore now has 59 deputies and can count on another two or three votes.

The Christian-National Union [ZChN] has shown an impressive increase in membership, from three deputies during the last term to its present membership of 49. Twelve senators also belong to the club. Senators Walerian Piotrowski, Jan Zamoyski, and Jan Szafraniec announced their accession to the party right after the elections. Deputies Pawel Musial and Kazimierz Switon, who were elected from the Silesian Autonomy Movement ticket, filed their declarations to cooperate with the ZChN club. Jan Switka is the only Democratic Party deputy to announce the expanded formula of oath like the ZChN deputies. Switka acts the same way in voting. Stanislaw Kocjan of Solidarity 80 attended the club's first meeting, but he did not join the club, although he too will probably vote the same way as Stanislaw Wadolowski, who was also elected from Szczecin. Deputy Mieczyslaw Gil is also certain to be a ZChN ally. He was elected from the WAK block list: Krakow Coalition of Those in Solidarity With the President. ZChN can therefore even count on 54 votes in the Sejm.

The Confederation for an Independent Poland [KPN] has 51 deputies and four senators, along with four deputies elected from the ticket of the Polish Union of the Western Territories [PZZ] and a deputy from the Alliance of Women Against the Hardships of Life. The PZZ deputies make up a group within the club. There is also a separate group for women. Leszek Moczulski was the club chairman initially, but now he is only honorary chairman. Krzysztof Krol directs the club's work.

The Central Accord Parliamentary Club [PC] had 44 members. Deputy Edward Rzepka recently resigned. The membership includes six deputies elected from citizens committees' block tickets and Roman Bartoszcze from Ojcowizna PSL [Polish Peasant Party]. They were left the position of club deputy chairman, but the position has not been filled yet, as though these

deputies had not yet made any decision. The club membership also includes nine senators.

At their first meeting in the Sejm, the liberals took the name Liberal Democrats Club. It has a membership of 37 deputies and seven senators. For the time being, the Polish Party of the Friends of Beer has not managed to enroll 16 members. As everyone knows, this group split. Under the chairmanship of Tomasz Bankowski, 12 economic activists formed the Polish Economic Program Parliamentary Club. On economic matters, they hold views very similar to the liberals, but they do not accept any political conditions, and this fact does not make it possible for them to join the liberals' club, although they will certainly be voting with the liberals on many economic issues. Four other members of the beer party created the Polish Party of the Friends of Beer, headed by Adam Halber.

Twenty-eight deputies from Solidarity PSL [Polish Peasant Party], Solidarity RI [Rural Solidarity], and Henryk Bak's PSL are members of the Peasant Accord Parliamentary Club, but this already belongs to history. Deputies of Solidarity PSL decided to form their own club under the leadership of Ireneusz Niewiarowski. There are 13 of them, but this information has not yet been fully verified.

Up until recently, people were talking about the possibility of cooperation, especially on rural affairs, of a Peasant Accord with the PSL-Program Alliance. An alliance of all the peasant deputies would give them a voting block of 77-78 votes, because the PSL-Program Alliance would bring 48 deputies to the Sejm. In addition, Wojciech Mojzesowicz, who was supported in the elections by the Bydgoszcz Peasant Unity in Bydgoszcz, and Wladyslaw Zabinski, from Piast in Tarnow, joined the club.

This division should not have any impact on the number of votes in the center-right coalition, which can still count on 209-214 of their own deputies, as well as on a large number of sympathizers.

"Piatka" can count on the support of the Solidarity Parliamentary Club (Klub Parlamentarny NSZZ "Solidarnosc"), which has 27 deputies, as well as on some smaller groups.

The Small Groups Join Together

Two Christian Democratic clubs fill in the rest of the parliamentary mosaic. The Parliamentary Club of the Christian Democratic Party has five deputies and three senators. They have been joined by Andrzej Gasienica-Makowski, of the Podhale Union. The Christian Democracy Deputies' Club has five deputies. The first Sejm votes and appearances show that deputies from the seven-member German Minority Parliamentary Club will adopt a pragmatic approach.

The three-member Party X faction is certain to act differently, because it is geared to strong criticism.

Eugeniusz Czykwin, the only deputy from the Orthodox minority, says that he will cooperate with the club most open to the problems of minorities. It appears that this may be the Democratic Union.

Labor Solidarity, which has four members, will probably sign up Zbigniew Bujak, of the Democratic-Social Movement. Furthest to the right in the chamber will be the three deputies forming the UPR Club [Deputies' Club of the Union for Real Politics].

This is the political picture of the Sejm at the very beginning of the term. It will change and undergo transition, just as it is already doing nearly every day. The only question is whether this process will lead to smaller and smaller groups and factions in the Sejm or to more stable relationships.

Deputies Listed by Affiliation

91EP0137B Warsaw RZECZPOSPOLITA in Polish
11 Dec 91 p 3

[Unattributed article: "Membership Lists of Deputies Clubs as of 8 December"]

[Text]

Liberal Democrats Club

Chairman: Donald Tusk.

Cochairmen: Jacek Kurczewski, Lech Mazewski.

Secretary: Marek Koczwaro.

Members: Pawel Abramski, Eugeniusz Aleksandrowicz, Andrzej Arendarski, Jan Krzysztof Bielecki, Tadeusz Bien, Dariusz Boguski, Michal Boni, Boguslaw Choina, Mirosław Drzewiecki, Witold Gadomski, Andrzej Hardy, Filip Kaczmarek, Dariusz Kolodziejczyk, Zbigniew Kosla, Janusz Antoni Lewandowski, Jacek Merkol, Zenon Michalak, Marek Moszczynski, Jerzy Orlowski, Jan Pamula, Waldemar Pelc, Pawel Piskorski, Andrzej Raj, Wladyslaw Reichelt, Jan Rzymelka, Marek Sambo-rski, Mirosław Sosnicki, Herbert Szafraniec, Jaroslaw Ulatowski, Wojciech Wardacki, Wieslaw Wojcik, Andrzej Zarebski, Krzysztof Zabinski.

Parliamentary Club of the Confederation for an Independent Poland

Honorary chairman: Leszek Moczulski.

Deputy chairman of parliamentary faction: Krzysztof Krol.

Deputy chairmen: Adam Slomka, Dariusz Wojcik.

Secretary: Krzysztof Kaminski.

Members: Zbigniew Adamczyk, Andrzej Andrzejczak, Piotr Aszyk, Krzysztof Blazejczyk, Ryszard Bogusz, Zbigniew Brzycki, Andrzej Chmiel, Barbara Czyz, Zbigniew Frost, Bozena Gaj, Leszek Golba, Michal Janiszewski, Tomasz Karwowski, Janusz Koza, Janina Kraus,

Mirosław Robert Lewandowski, Zygmunt Lenyk, Andrzej Tadeusz Mazurkiewicz, Elżbieta Michalak, Marek Michalik, Jan Mizikowski, Henryk Opillo, Józef Jacek Pawelec, Mieczysław Pawlak, Wojciech Pegiel, Katarzyna Pietrzyk, Waldemar Krzysztof Polczynski, Krzysztof Popena, Wincenty Pycak, Barbara Rozycka-Orszulak, Andrzej Rychlik, Adam Sengebusch, Zbigniew Skorecki, Dariusz Sonta, Jerzy Synowiec, Przemysław Sytek, Andrzej Terlecki, Artur Then, Michał Tokarzewski, Robert Tromski, Jarosław Wartak, Danuta Wierzbicka, Kazimierz Wilk, Jarosław Wozniak, Dariusz Wojcik, Iwona Bożena Zakrzewska, Adam Marek Ziemiński.

Peasant Accord Parliamentary Club

Chairman: Gabriel Janowski.

Presidium: Henryk Bak, Józef Fraczek, Antoni Furtak, Ireneusz Niewiarowski. Members: Andrzej Stanisław Adamowicz, Artur Balazs, Zygmunt Berdychowski, Stanisław Andrzej Czechowski, Józef Gutowski, Sławomir Janusz Hardej, Wiesław Janowski, Feliks Klimczak, Tadeusz Kowalczyk, Stefan Władysław Krol, Piotr Krutul, Zbigniew Lech, Wacław Niewiarowski, Bogdan Pilarski, Kazimierz Rostek, Wanda Sikora, Henryk Suchora, Włodzimierz Sumara, Stefan Szankowski, Tadeusz Szymanczak, Roman Władysław Wierzbicki, Andrzej Wojtyła, Tadeusz Wojcik.

Solidarity Parliamentary Club

Chairman: Bogdan Borusewicz.

Deputy chairmen: Jan Rulewski, Alojzy Pietrzyk.

Secretaries: Elżbieta Seferowicz, Andrzej Smirnow.

Members: Wojciech Arkuszewski, Stanisław Baran, Waldemar Bartosz, Barbara Fraczek, Tadeusz Jedynak, Eugeniusz Kielek, Paweł Kowalczyk, Jan Kulas, Tadeusz Stefan Lewandowski, Zbigniew Ładosz, Marek Markiewicz, Edward Müller, Marek Muszyński, Jerzy Niczyperowicz, Sławomir Panek, Sławomir Rogucki, Stanisław Sobanski, Antoni Tyrakowski, Stanisław Wasik, Stanisław Węglarz, Marek Zieliński, Maria Zoltowska.

Parliamentary Club of the Christian Democratic Party

Chairman: Paweł Łączkowski.

Deputy chairman: Janusz Steinhoff.

Secretary: Anna Knysok.

Members: Wiesław Kliwiewicz, Andrzej Gasienica-Makowski.

Democratic Union Parliamentary Party (Klub Parlamentarny "Unia Demokratyczna")

Chairman: Bronisław Geremek.

Members: Jan Maria Rokita, Henryk Wujec, Michał Chalonski, Aleksander Hall, Jacek Kuron, Marek Bałicki, Andrzej Bober, Juliusz Jan Braun, Jerzy Ciemiński, Marek Dąbrowski, Maria Dmochowska, Piotr Fogier, Władysław Frasyniuk, Radosław Gawlik, Helena Górska, Stanisław Handzilik, Józefa Ilennelowa, Zbigniew Janas, Jan Kisiliczek, Bronisław Komorowski, Jerzy Kopania, Józef Kowalczyk, Jan Władysław Krol, Olga Krzyżanowska, Zygmunt Kufel, Barbara Labuda, Irena Ewa Lipowicz, Jan Litynski, Władysław Liwak, Tadeusz Mazowiecki, Józef Meisel, Piotr Nowina-Konopka, Janusz Onyszkiewicz, Jerzy Osiatynski, Andrzej Pawłowski, Jan Piskorski, Tadeusz Pokrywka, Piotr Polmanski, Andrzej Tadeusz Potocki, Włodzimierz Puzyna, Władysław Raiter, Ryszard Setnik, Grazyna Staniszeńska, Hanna Suchocka, Tadeusz Syryjczyk, Tomasz Szczepuła, Kazimierz Szczygieski, Iwona Słodzińska-Katarska, Jacek Taylor, Ludwik Turko, Kazimierz Michał Ujazdowski, Anna Urbanowicz, Marcin Wesolowski, Andrzej Wielowieyski, Gwidon Wojcik, Jan Wyrowinski, Maria Zajackowska, Paweł Zalewski, Jerzy Zdrada, Stanisław Zurowski.

Parliamentary Club of the Christian-National Union

Chairman: Wiesław Chrzanowski.

Members: Stefan Niesiolowski, Marek Siwiec, Zbigniew Dyka, Marek Jurek, Maria Barucka, Teresa Bazala, Włodzimierz Blajerski, Józef Błaszczak, Bogumila Maria Boba, Ryszard Czarnecki, Antoni Dzierżyński, Tadeusz Godlewski, Henryk Goryszewski, Mariusz Grabowski, Jerzy Hrybacz, Grzegorz Kazimierski, Marian Kepka, Henryk Klata, Jerzy Kropiwnicki, Marcin Libicki, Jan Edward Łopuszański, Adam Łukowski, Antoni Macierewicz, Mariusz Marasek, Adam Jerzy Matuszczak, Jerzy Matyjek, Jerzy Michałak, Waldemar Modzelewski, Zygmunt Mogiła-Lisowski, Halina Maria Nowina-Konopka, Kazimierz Mieczysław Pekala, Jan Piatkowski, Feliks Bronisław Pieczka, Marian Pilka, Stanisław Rakoczy, Jadwiga Rudnicka, Grzegorz Schreiber, Waldemar Sikora, Maciej Srebro, Stanisław Stando, Halina Bronisława Strebska, Alojzy Szablewski, Tomasz Szyszko, Jacek Turczynski, Aleksander Usakiewicz, Piotr Walerych, Stanisław Wadolowski, Stanisław Zajac.

Christian Democracy Deputies' Club

Chairman: Józef Hermanowicz.

Members: Tadeusz Lasocki, Stefan Patuszewski, Henryk Rospara, Władysław Staniuk.

Party X Deputies' Club

Chairman: Antoni Czajka.

Members: Kazimierz Chelstowski, Waldemar Jedryka.

Deputies' Club of the Polish Party of the Friends of Beer

Chairman: Adam Halber.

Members: Krzysztof Ibis, Adam Piechowicz, Andrzej Zakrzewski.

Deputies' Club of the Union for Real Politics

Chairman: Lech Pruchno-Wroblewski.

Members: Janusz Korwin-Mikke, Andrzej Sielanczyk.

German Minority Parliamentary Club

Chairman: Henryk Krol.

Members: Erhard Albin Bastek, Georg Brylka, Jan Willibald Fabian, Antoni Kost, Brunon Kozak, Henryk Pazdzior.

Polish Economic Program Parliamentary Club

Chairman: Tomasz Bankowski.

Members: Leszek Bubel, Tomasz Brach, Slawomir Chabinski, Andrzej Czernocki, Jerzy Dziewulski, Zbigniew Eysmont, Tomasz Holc, Marek Kloczko, Janusz Rewinski, Cezary Urbaniak, Jan Zylber.

Polish Peasant Party Parliamentary Club

Chairman: Waldemar Pawlak.

Members: Roman Jagielinski, Aleksander Luczak, Janusz Piechocinski, Janusz Wladyslaw Serafin, Andrzej Bajolek, Piotr Czeslaw Barcinski, Aleksander Bentkowski, Witold Bialobrzewski, Andrzej Borowski, Leszek Bugaj, Jan Bury, Jozef Cinal, Zdzislaw Kazimierz Domanski, Marek Domin, Bronislaw Dutka, Tadeusz Gajda, Zbigniew Galek, Ryszard Jastrzebski, Stanislaw Kalemba, Zofia Kowalczyk, Jan Kowalik, Mikolaj Koza-kiewicz, Jozef Lochowski, Bogdan Lukasiewicz, Janusz Mackowiak, Jan Majewski, Janusz Maksymiuk, Zbigniew Mierzwa, Wojciech Mojzesowicz, Jozef Pawlak, Henryk Siedlecki, Stanislaw Sienkiewicz, Ryszard Smolarek, Jacek Soska, Marian Roman Starownik, Franciszek Jerzy Stefaniuk, Henryk Strzelecki, Tadeusz Sytek, Slawomir Szatkowski, Jan Szczpaniak, Bogumil Szroder, Wlodzimierz Wiertel, Zenon Witt, Jozef Zbigniew Woroszczak, Wladyslaw Wrona, Wojciech Szczesny Zarzycki, Jozef Zych, Wladyslaw Zabinski, Stanislaw Zelichowski.

Central Accord Parliamentary Club

Chairman: Marek Dziubek.

Members: Andrzej Andrysiak, Roman Andrzejewski, Andrzej Anusz, Kazimierz Barczyk, Roman Boleslaw Bartoszcze, Antoni Bielewicz, Jacek Bujak, Janusz Choinski, Zdzislaw Dubiella, Jerzy Eysmontt, Adam Glapinski, Tadeusz Gorczyk, Stanislaw Przemyslaw Ilmiedziejewicz, Jaroslaw Kaczynski, Lech Kaczynski, Jozef Kania, Andrzej Kern, Bartlomiej Kolodziej,

Andrzej Kostarczyk, Pawel Kotlarski, Tadeusz Kowalczyk, Edmund Krasowski, Marek Lasota, Adam Lipinski, Teresa Liszcz, Jacek Maziarski, Czeslaw Nowak, Jan Olszewski, Jozef Orzel, Cezary Piasecki, Marcin Przybylowicz, Krzysztof Jakub Putra, Slawomir Siwek, Czeslaw Sobierajski, Krzysztof Jozef Tchorzewski, Antoni Tokarczuk, Boleslaw Twarog, Andrzej Urbanski, Stanislaw Weglowski, Wojciech Wlodarczyk, Piotr Wojcik, Maciej Zalewski.

Labor Solidarity Parliamentary Club

Chairman: Ryszard Bugaj.

Members: Zbigniew Bujak, Piotr Czarnecki, Wojciech Kwiatkowski, Aleksander Malachowski.

Alliance of the Democratic Left Parliamentary Club

Chairman: Aleksander Kwasniewski.

Members: Wit Majewski, Jozef Oleksy, Longin Pastusiak, Wladyslaw Adamski, Bronislaw Bajor, Anna Bankowska, Andrzej Zbigniew Baraniecki, Ryszard Wladyslaw Bartosz, Leszek Tadeusz Bialy, Tadeusz Bilinski, Barbara Blida, Irmino Bochen, Marek Tadeusz Boral, Marek Stefan Borowski, Wlodzimierz Cimoszewicz, Anna Teresa Dudkiewicz, Zbigniew Gorzelanczyk, Kazimierz Iwaniec, Tadeusz Iwinski, Jerzy Jankowski, Zbigniew Tadeusz Janowski, Jerzy Jaskiernia, Tadeusz Jedrzejczak, Wieslaw Kaczmarek, Jozef Kaleta, Zbigniew Waldemar Kaniewski, Marian Kozlowski, Aleksander Krawczuk, Krystyna Maria Lybacka, Maciej Manicki, Wacław Andrzej Martyniuk, Marek Karol Mazurkiewicz, Leszek Miller, Piotr Mochaczewski, Irena Maria Nowacka, Kazimierz Jan Nowak, Jacek Jan Piechota, Jerzy Jozef Pilarczyk, Wojciech Jaroslaw Saletra, Ireneusz Sokula, Zbigniew Siemiatkowski, Izabella Sierakowska, Marek Maciej Siwiec, Zbigniew Sobotka, Wanda Sokolowska, Ewa Spychalska, Czeslaw Sterkowicz, Andrzej Szarawarski, Jerzy Szmajdzinski, Czeslaw Sledziak, Zdzislaw Tuszyński, Ryszard Ullicki, Danuta Waniek, Jerzy Jozef Wiatr, Janusz Zemke, Bogumil Zych, Marian Zenkiewicz, Ryszard Jacek Zochowski.

11 Parties in Sejm With Single-Seat Representation

92P20084A Warsaw *PRAWO I ZYCIE* in Polish No 47, 23 Nov 91 p 7

[Unattributed article: "I Myself Am the Steer, the Sailor, the Ship"]

[Text] As many as 11 parties have only one seat in the new Sejm. Leaders of the one-person deputies clubs are, among others: Jan Switka (Democratic Party); Eugeniusz Czykwin (Electoral Committee of the Orthodox Church); Bozena Gaj (Women's Alliance Against the Difficulties of Life); Mieczyslaw Gil (In Solidarity With the President); Stanislaw Kolym (Peasant Electoral Accord); Andrzej Gasiennica-Makowski (Union of the

Tatra Highlanders); Wieslawa Ziolkowska (For Great Poland and Poland); Zbigniew Bujak (Democratic Social Movement); and Stanislaw Kocjan (Give Us a Chance).

ZChN's Chrzanowski, Party Program Profiled

Biography of Sejm Marshal

92EP0114A Warsaw *RZECZPOSPOLITA* in Polish
26 Nov 91 p 3

[Article by K.Gr.: "Sejm Marshal Wieslaw Chrzanowski, a Distinctive Politician"]

[Text] An individual who knows Wieslaw Chrzanowski well told us that in his opinion Wieslaw Chrzanowski can fail as Sejm Marshal for only one reason: in using equipment with buttons.

Technology is not a strong suit of the president of the Christian National Union [ZChN]. Wieslaw Chrzanowski once received a portable tape recorder as a present. Those in the know say that he has still not learned to use it. Similarly with a telephone answering machine. But otherwise, "the president can feel so comfortable as Sejm Marshal that he will neglect his party," said one activist of the Christian National Union. "But that is our problem," he added.

Wieslaw Chrzanowski, the new Sejm Marshal, in a burgundy beret, carrying a leather bag and wearing a coat, is a distinctive figure. He lives in a three-room apartment in an apartment house in Solec. He is a bachelor. He has never had a car; some say that he also does not have a driver's license. He has no pets.

In 1975 when he went to the West for the first time in his life, to a congress of lawyers, he left the lawyers on Saturday and Sunday, and hurrying to the train station he went to Florence. Shortly before the October elections, he was again in Florence. Reportedly, he has surprised even art historians with his knowledge of that city.

One of Chrzanowski's colleagues from the ZChN claims that he cannot imagine his president upset. He was reportedly demanding of the students at the Lublin Catholic University.

He spends his vacations in the Tatra Mountains; he loves mountains just as he adores the entire surroundings of the Movement of Young Poland.

In the ZChN, they assume that the president is thinking of writing his memoirs; he has probably already made notes; but he always lacks time. "He works too much." He colleagues worry a little.

Sometimes, he is described as a "patron." He maintains agreement within the ZChN with his prestige.

The son of the rector of the Warsaw Polytechnic, he was born in 1923 in a building belonging to the Polytechnic. He followed in his father's footsteps, and as a student he

joined the National Party. During the occupation, he was also in the Home Army. After the war, he was one of the coauthors and later president of the Christian Youth Union, and an activist in the Labor Party. Since he was the last president of the Union, some say that he is still president. Arrested, he hid until the amnesty in 1947. He edited a youth column in *TYGODNIK WARSZAWSKI*. Together with colleagues from the editorial staff in 1948, he was again arrested for "an attempt to form a Catholic national mass movement, which with the aid of the allied armies was striving to overthrow the order of People's Poland by force." Sentenced to eight years, he left prison after six, he was released and rehabilitated in 1956. In 1960, he applied to become a practicing attorney, but until 1981 successive ministers did not permit him to be registered as an attorney. Beginning in 1967, he belonged to Primate Wyszynski's information group. Beginning in 1975, he maintained constant contact with the Movement of Young Poland. He was coauthor of the first charter of Solidarity. With Jan Olszewski, he represented the union in the registration proceedings in 1981. He was an adviser of the Mazowsze Region of Solidarity. After the introduction of martial law, he was a member of the Primate's Social Council during its first term and of the Secretariat of the Polish Episcopate. He was treasurer of the Citizens' Committee under Lech Walesa. He is a professor extraordinary and has completed his habilitation in law; he has directed the department of civil law at the Lublin Catholic University.

He is the cofounder and president of the ZChN. In January 1991, he became minister of justice and general prosecutor.

Wieslaw Chrzanowski himself describes himself as a fundamentalist. In February 1990, asked whether the ZChN is a national democratic group or a Christian democratic group, he responded: "We are not continuing any of the prewar traditions, which accounts for the confusion among those who want to use traditional phrases" (*ZYCIE WARSZAWY*). "A Christian party should be distinguished from religious groups. I take the position that those who do not believe can belong to them, if they clearly admit the values Christianity carries" (*POWSCIAGLIWOSC I PRACA*).

In Chrzanowski's opinion "leftist thinking is a faith that by imposing a specific model of social life, one can make the world happy. The right is less well defined, in its opinion, a politician can only correct defects and cannot rebuild social life all by himself" (*RZECZPOSPOLITA*).

After becoming minister of justice, in responding to accusations that as president of the ZChN he should not hold that position, he said: "In the PRL, we became accustomed to camouflaging our views. Meanwhile, an adult engaged in public life must have concrete political views and should articulate them, in part, so that those who are watching him, do not have to divine his motives for his actions" (*RZECZPOSPOLITA*).

ZChN Program, Goals Discussed

92EP0114B Warsaw RZECZPOSPOLITA in Polish
19 Nov 91 p 4

[Interview with Professor Wieslaw Chrzanowski, leader of the Christian National Union, by Tadeusz Kucharski; place and date not given: "A New National Democratic Movement?"]

[Text] [Kucharski] Professor, you always seemed to me a loner politician, so I was surprised by the report that you had founded a political party. How did that come about?

[Chrzanowski] In late spring 1989, my political friends started to come to me with proposals to found a party. They said that many people, especially among the young, felt a need for political action, that various organizations were being formed and that if I did not come forth with an initiative then those who had worked informally with me for years would scatter among various parties.

[Kucharski] Are the names of these people a secret?

[Chrzanowski] Obviously not. The majority of them were members of the Movement for Young Poland for I have been a patron of this organization since the 1970's, and so among them were Marek Jurek, Wieslaw Walendziak, Marian Pilka, and also Antoni Macierewicz, who, however, has a different political genealogy, later Jan Lopuszanski. We had a few meetings of potential members of the possible party in Warsaw, and in the end on 15 September 1989, we organized a large meeting in Poznan at the Dominicans' facilities where we formed the organizational committee of the Christian National Union [ZChN]. The next day, at a meeting in Rokitno in the Gorzow Voivodship, we adopted the basic program provisions. We also decided that the first congress of the ZChN would be held on 28 October 1989 at the Warsaw Polytechnic.

[Kucharski] Did the church hierarchy have influence on the formation of the party?

[Chrzanowski] No. In Rokitno, at the Sanctuary of the Patiently Listening Mother of God, the Gorzow bishop ordinary, Bishop Jozef Michalik, visited us, but he did not participate in our deliberations. Prior to the first congress, we visited Primate Jozef Glemp and cautiously asked whether he would be inclined to say a Holy Mass for our party. He agreed immediately which we took as approval for our idea of founding a party with a clear Christian face.

[Kucharski] Several Polish parties have the term "Christian" in their name, which in Poland usually means "Catholic." Does Catholicism in the understanding of the ZChN differ in some way from the Catholicism of those parties?

[Chrzanowski] We treat Catholicism not as an exclusively psychological phenomenon, as frequently happens, but as an historical, cultural, and sociological phenomenon in national life. We see Catholicism in the

way the primate does, and we do not consider the adjective "popular," as it is termed in some Catholic circles, pejorative.

[Kucharski] What has the ZChN taken from the heritage of the National Democratic Movement?

[Chrzanowski] We are a new group; we think that after several decades the situation in which the National Democrats acted is a closed past. But that does not mean that we have torn ourselves away from all its values. We have taken up all those traditions which have a Christian, national, and independence character, and so the National Democratic Movement, the Christian Democratic tradition, the Christian tradition in the peasant movement, or the peasant conception of Witos, and even some traditions of the Pilsudski group, like Zarzewie, the rifle groups. At this moment, the division of political forces by orientation which existed during World War I would be an anachronism.

[Kucharski] Is, however, the national element contained even in the name of your party not an anachronism?

[Chrzanowski] We do not understand the notion "nation" as a superior, metaphysical value, or nourishment for a nationalism, of what was called by Voronetski's father paganism, Hitler's nationalism, for example. We take the notion of "nation" in the sense of the Catholic social teaching, and, thus, as a society which in a particular epoch is the most creative culturally, which forms the basic element in the development of a man. If the Polish nation did not exist, there would not have been a 200-year-long struggle for independence, and it would be hard for us to say after this struggle that we are eliminating the national as a category. But on the other hand, one of the central categories of the Church's social teaching, which Primate Wyszynski emphasized, is the *ordo caritatis*, the order of charity: first we are to love our neighbor as our ourselves, then our family, then the social group in which we live, and in the end, the nation which, not being eternal, is at the moment the most culturally creative community, society. For these reasons, two years ago we proposed the name of our party.

[Kucharski] What kind of organization does the ZChN desire for this society? You are considered inclined toward authoritarian governments.

[Chrzanowski] We think that democracy is the best of the existing methods for exercising power, but it is not our goal in itself. The goal is a certain set of values, especially moral ones; thus, democratic methods cannot determine truths which derive from the laws of nature, which are born in the individual. We also attach great importance to those values from which our tradition came, our national identity; thus, although we are against a religious state, we cannot agree to the elimination from public life, from the cultural surroundings, of elements of our tradition, including sacred elements.

[Kucharski] How does the ZChN differ from the National Party which we encountered recently during the election campaign?

[Chrzanowski] The national movement included many traditions. The current National Party draws on the most radical of them, on that by which the members were called Giertychas, from the name of Jędrzej Giertych, who was a man of great dedication, but, in my opinion, he can be included among the posthumous members of the national democrats at their height. The current National Party, in my opinion, does not have a social mandate to take for itself the roll of continuing the national democratic movement because it builds its ideology exclusive on negative elements, organizes a catalogue of factors, which, in my opinion, threaten our life, and the leading places here are held by international masonry and certain Jewish centers. For the ZChN, the basic task is to build on positive values, negative elements can be raised only in an individualized manner and only when they stand in the way of positive values.

[Kucharski] Do you consider the phobias of the current National Party completely irrational?

[Chrzanowski] How can I treat them differently, if the brochures of the 1980's published or distributed by the people of that group described me as a mason, and that of a high rank; if I read in these brochures that I, along with Jan Olszewski, exercised supervision of the Workers' Defense Committee under the order of Free Masons and that I am destined for a very high position; if in the brochure "Grave Diggers of Poland" I am mentioned as one of the grave diggers, and another brochure is titled "A New Catholic Review and the Masonization of the Catholic Church in Poland?"

[Kucharski] What is the position of the ZChN toward anti-Semitism?

[Chrzanowski] In general, that of the Catholic Church in Poland expressed in the well-known letter of the Episcopate on anti-Semitism; thus, we condemn anti-Semitism as an immoral thing. That, however, does not mean that we agree that someone is not subject to judgment only on the basis of his nationality. Just as every Pole is subject to judgment, for Poles are quite various, so should every citizen of Jewish origin be subject to it.

We also cannot pretend that we do not see that some Jewish groups, especially in America, want to provoke animosity in terms of nationality. My friend David Draznin, an outstanding Zionist, who left Poland for Israel at the end of 1956, wrote to me in the 1960's that at the Congress of Jews from Poland, they and other Jews who during Stalinist times were in prison with us, had to defend the good name of Poland against accusations of anti-Semitism by people who had been communist dignitaries in Poland.

We realize there are many difficult problems and wounds that have grown up both on the Polish and the Jewish side, already prior to the war in the cultural,

religious, and economic arenas. This baggage has remained until today, but it is necessary to unload it sensibly, and not to continue loading it. In this regard, an obsession with anti-Semitism, Poles constantly beating their breasts, assurances that it is not anti-Semitism, etc., will not help.

[Kucharski] The ZChN is usually called the extreme right, but during the election campaign, it was given a leftist social and economic program. How do you yourself situate your party?

[Chrzanowski] The current young generation loves the classic division into right and left; for me, it is a little artificial. The ZChN is undoubtedly for a free market, for private ownership, for decentralization in economic life, and for these reasons including it among the rightist parties is justified. But on the other hand, as a Christian party, it is not indifferent to problems of social justice, although I am not inclined to recognize the left's monopoly on raising these problems in the programs provisions.

[Kucharski] But doesn't the ZChN come close to socialism in this area?

[Chrzanowski] I would avoid this term because putting the issue in that way, either capitalism or socialism or a third way, is an oversimplification. There is an entire range of socialisms and capitalisms, and it seems that there cannot be a third way but another way in relation to any particular model.

[Kucharski] The ZChN is the party most sharply attacked by some politicians and columnists. Why?

[Chrzanowski] There are a number of reasons, which they know better than I. Among them is surely the fact that the ZChN has a sharp ideological and political profile; it is the least "streamlined" of all the parties, and one cannot count on it adapting to the "objective" conditions. We notice how some parties in such a short time have changed not only tactics but even premises, one of them even changed its rhetoric from radical to almost liberal. The ZChN has ideological and political premises that are so firm and unchanging as regards essential questions that one must accept this party as it is or reject it, and many reject it.

[Kucharski] But can a party with such a firm program enter into any alliances, interparty coalitions? Or is it not condemned to solitude?

[Chrzanowski] Every political force should base itself on ideological premises clearly describing its identity, which does not prevent it from cooperating with forces with other premises. In the pastoral letter "Octogesimo adveniens," Paul VI clearly says that it is possible to start from completely contradictory philosophical premises and, nevertheless, to pursue joint, concrete measures, if for some reason that is suitable to the representatives of those forces and, moreover, that it can be considered in accord with common sense.

KPN Role in Parliament Characterized

92EP0105B Warsaw *POLITYKA* in Polish No 46,
16 Nov 91 p 6

[Article by Marcin Meller: "The Solidarity Opposition Did Not Take the Confederation for an Independent Poland Too Seriously"]

[Text] After the presidential elections, Stefan Kisielewski said that if Leszek Moczulski really was a politician, he would take advantage of social discontent, and would win Tyminski's electorate. The leader of the Confederation for an Independent Poland [KPN] instead preferred, a year ago, to frighten voters with apocalyptic visions, and to make prosecutor's orations with a martial mien. As a result, he suffered a defeat, placing last and gathering slightly more than two percent of the vote. Judging from the parliamentary election campaign, the KPN and its leader drew the appropriate conclusions; they put 51 deputies in the 11th Sejm.

The Confederates are swelling with pride. In truth, only they won in these elections. The Left Democratic Alliance got fewer votes than did Cimoszewicz a year ago. The Catholic Election Action existed thanks to the support of the church. All the others lost to a greater or lesser degree. The KPN owes its success only to itself. Krzysztof Krol, 28 years old, Leszek Moczulski's right hand and, in private life, his son-in-law, relates with a smile an opinion overheard from a representative of the "Warsaw crowd": "the salons must now learn the KPN."

The Confederation describes itself as the oldest anticommunist party in Poland. It was founded in the fall of 1979, as a result of a split in the Movement for the Defense of Human and Civil Rights, an opposition organization in competition with KOR (Workers' Defense Committee) and the so-called secular left (according to Adam Michnik's definition). The KPN-ers accused their rivals of cooperation with one of the PZPR's (Polish United Workers' Party) fractions, of crypto-communism, minimalism, and anti-independence activity. According to them, the Confederation was the only independence organization in Poland, which was, according to the now-deceased founder of KOR, Jan Jozef Lipski, until his death a senator from Radom, "a laughable usurpation."

From the first days, Leszek Moczulski, born in 1930, a lawyer by education, the author of many historical and political publications, and, according to KPN-ers, "one of the most enlightened minds of our political scene," has stood at the head of the KPN. As one can learn from the biographical sketch distributed during the presidential elections, "Leszek Moczulski has taken part in the conspiratorial independence current. (...) He was detained by the Security Apparatus for the first time in 1947; he was arrested and tried for the first time, for "slander of the Polish People's Republic," in 1957. In the second half of the 1970's, he was subjected to constant repression, and was detained by the Security

Service about 250 times. Arrested in August 1980, sentenced to seven years of prison in 1982, freed in August 1984, arrested again in March 1985," freed by amnesty in September 1986.

One can add a few facts which this biography omits. After the Polish United Worker's Party's [PZPR's] unification congress, Moczulski belonged to the PZPR for a brief period. He worked as a journalist at DOOKOLA SWIATA from the mid-1950's, moved after a few years to STOLICA, from which he was thrown out in 1977, after undertaking open oppositional activity. In 1968, STOLICA was connected with Moczar's group, and Moczulski was one of the authors attacking the student movement of that time. He also took part in the campaign against the "scoffers"—the artists and intellectuals who criticized and sometimes mocked Polish national stereotypes. The protest organized by Moczulski in the theater against Slawomir Mrozek's "Death of the Lieutenant," as a play ridiculing national tradition, was connected with this activity.

From the very beginning, the KPN was the opposition organization most hated and persecuted by the authorities. The fury of the PRL rulers was so great that when, in the fall of 1980, Solidarity fought for the freeing of political prisoners, it did not stand unequivocally in defense of the arrested KPN leaders, recognizing that the PZPR would not stand for it. Mieczyslaw Rakowski writes in his memoirs that Leonid Brezhnev himself demanded the sentencing of Moczulski. The authorities and the official press accused the KPN of everything bad. Government press spokesman Jerzy Urban spoke of a "group of chauvinists" taking their models for "prewar fascist-leaning groups." Even in the spring of 1989, one could read in TRYBUNA LUDU that the KPN is a party "of a clearly totalitarian character." After the June elections, PRAWO I ZYCIE warned that "People from the KPN count on the total disintegration of society and the state." There were also accusations of a desire for a crusade on Moscow, to blow up Poland, and other ignoble plans.

Representatives of the Solidarity opposition did not take the KPN too seriously, seeing the Confederation as a group of maniacs and rioters. Today not only the salons must learn the KPN, a party with a million-strong electorate.

Independence Kielbasa

Leszek Moczulski's supporters say of themselves that they are Pilsudski-ites, and thus statist. "Marshal Pilsudski was and will be our chief and leader. He will always lead us," said Krzysztof Krol several weeks ago. "Our goal is deed without ideology," emphasizes Moczulski. If someone wants to work on behalf of an independent state, and is a socialist or a conservative, or a Christian democrat, we will accept him, without asking about convictions at all." Moczulski adds that the KPN

wants to be a Polish version of the Gaullist party, emphasizing that the French took their model from the prewar Pilsudski bloc.

This is, at the same time, his answer to the charge that the KPN is a party without a goal or meaning after Poland's attainment of independence. Indeed, just a year and a half ago Moczulski averred that the KPN would cease to exist after the achievement of independence, since the party's goal would be achieved. As well, it is an answer to rebels within the KPN, who last August left the party, founding the KPN-Democratic Fraction. One of the secessionists, Manuel Ferreras, said at the time: "We have no positive program. A program is replaced by a story about Pilsudski and about what happened 70 years ago." Another added: "No one wants to fall for independence kielbasa [a reference to free food sometimes distributed in order to attract to a party or program] any more. We are seen as an organization which is not serious; we are associated with the occupation of buildings, with hooliganism."

Last year's dissenters today return to the KPN, welcomed, it is true, without fanfare, but with satisfaction. It is evident that the leaders of the KPN also drew the appropriate conclusions. In the presidential campaign, Leszek Moczulski said that he will not be a president "for collaborators and criminals who are against Poland." He proclaimed that "there is no reason to coddle those who are guilty of Poland's misfortunes; there is no reason to play at politics with any *nomenklatura*." He warned that if the elections do not bring the changes he demanded, than "we will have to turn to other methods." At that same time, KPN-ers occupied the Press Building in Katowice, the offices of [radio and television] chairman Drawicz (in the fall of 1989, they occupied over 120 buildings, mostly of PZPR committees, gaining offices for itself by virtue of accomplished fact), blockaded Soviet army divisions all over the country, and wanted to recall the president of Lublin, the USSR ambassador in Warsaw, President Jaruzelski, and several other people. These activities attracted that part of the youth which had a taste for western-style politics, but did not bring it wider support. In polls, the KPN without fail enjoyed the greatest antipathy among those surveyed.

In the parliamentary election campaign, the KPN took advantage of its unfortunate experiences. The accent was shifted from settling accounts to a "no" to decommunization and group responsibility. "The KPN is against universal decommunization; it is not a neophyte, and does not have to prove its anticommunism," says Krol. "Decommunization assumes group responsibility, which is inadmissible in a civilized state."

The KPN tried to present itself in the campaign as a dynamic party, but a responsible one.

"Tears came to my eyes," sighs Krol, "when I saw how Morawiecki on television overturned a roundtable, the

symbol of the bargain with the communists. I wanted to myself, but times are different now."

Economic Hooliganism

KPN activists believe that they attained their success thanks to consistent anticommunism, to the struggle for independence, and to a realistic economic program. "The voters appreciated the fundamentalism of our principles," they emphasize. They probably are not correct. It seems that, above all, voters were guided by that which the KPN calls its own economic program.

One journalist—disposed towards the KPN, by the way—described the Confederacy's approach to economic matters as "economic hooliganism." The symbol of the KPN's preelection promises was the famous seven million which each retiree should receive after 25 years of work, as Leszek Moczulski figured out on a calculator in the Election Studio television program. The chairman explained later that he did not promise anyone that money, but only calculated how much a retiree would get if the same system was in effect at the Social Security Administration as before the war. Moreover, Moczulski figured out that one would earn 32 million zlotys [Z] after forty years' work. Let's leave aside the substantive value of this arithmetic; for the average television viewer, the KPN leader's game with the calculator meant that he promised a pension of Z7 million a month.

Leszek Moczulski is a coauthor of the KPN's economic program. He proposes the following solution: "It's simple: People don't have enough money." A rise in wages will awaken consumption, and thus production as well, which will bring an end to the recession. Prices, it is true, will triple, but wages will go up ten times. After three months, we will be able to feel the first signs of improvement; after three years, the minimum wage will reach two dollars an hour, and in 20 years we will live like in the West. We can pay off our foreign debts, but we do not have to. Balcerowicz, of course, must leave. Krzysztof Krol adds that "the state must play a significant role as a protector; it must look after development of the economy." All this would not be so original, if not for the fact that Leszek Moczulski promises the replacement of the present economic policy with "a variation of Thatcherism, adapted to Polish conditions."

Without the Cassock

It appears that the KPN profited greatly at the ballot box by emphasizing a definite division between church and state. This also is the result of the Pilsudski tradition. "As in the Second Republic, so today, too, the church must have the responsibility of behavior which is loyal to the state, which should have the right to coordinate church policy on its territory," says Krol. It should also have the right to intervene in the matter of appointment of bishops or rectors by the Vatican. Thanks to God, we have now a Polish pope, but this will not last forever."

Speaking to several hundred gathered KPN activists after the elections, Krol stated with satisfaction, that "we

did not enter the Sejm under the cassock, nor behind it." He received stormy applause. A rebuttal from an activist from Krakow, that those are inappropriate words which could bring harm to the party in society, met with a cold reception. Krol replied that the church's lawbreaking during the election campaign pained him precisely as a Catholic. The applause was nearly an ovation.

The vice-chair of the Christian-National Union (ZChN) Antoni Macierewicz, reacting to these statements, said that "if the KPN does not explain its brutal antichurch pronouncements (...), it will be difficult for us to work together." Krol responded that the KPN does not exclude an alliance with the ZChN "if they stop treating the church as a tool, stop wiping their faces with the church." Krol watched the Catholic Election Action television programs, in which pictures from the World Youth Day on Jasna Gora were used, with outrage. "It was as if those people had come to see Deputy Lopuszanski, and Deputy Jurek. They came there for someone else, and for something else, and not to become Muppets for the Catholic Election Action."

Those words find fertile ground in Poland today. The combination of political anticommunism, left populism in economic matters, and—let's not beat around the bush—explicit anticlericalism has brought the KPN many votes of young people most of all. In addition, the KPN is "clean," not having participated in the Solidarity governments. It can criticize them without schizophrenia, which is the lot of the Center Accord. The Confederates tried to make all the manifestations of discontent their own.

"The KPN understands and supports eruptions of social dissatisfaction against the government's present economic policy," said Dariusz Wojcik, a member of the KPN Political Council and its Lublin chief, in July. When a strike broke out in Bialystok or in Silesia, the Confederates showed up right away. One journalist wrote with distaste a month ago: "If two women quarrel in a store in Silesia, a KPN representative shows up immediately, and a statement is issued the next day."

There is also the other side of the coin, however. None of the KPN deputies has sat in the Sejm; the most active of them until now practiced their politics mainly on the streets. These people are young, and very young; most came to the KPN in the last few years. One can count on the fingers of one hand the veterans of the first Solidarity era. Moczulski admits that the KPN has a generational gap. The 40- and 50-year-olds who give other parties their character play no role at all in the Confederacy.

One of the "Strzelec" [Sharpshooter] teams (there are several groups, of various political inclinations, bearing that name), an organization which harks back to the paramilitary independence youth groups from before the war, is linked to the youth-oriented KPN. Information recently circulated in the press that the army was training KPN sharpshooters on a base. There was talk of party battles. The Confederates explain that Strzelec is a

senior scout organization, educating youth in a patriotic spirit. The KPN gave the youngsters organizational assistance. The army was training youth from various groups, and this was not against the law. This is supposed to be the end of the KPN's connections with Strzelec, of which Leszek Moczulski is honorary chair.

A Mission

More than one surprise may await us from KPN deputies. Will they always follow the path of their leader? The autocratic rule in Leszek Moczulski's party is a public secret. This was one of the reasons for the successive departures from the KPN by his collaborators. Krzysztof Krol denies this. The chairman is sometimes overruled at Political Council meetings, and regional chiefs have enormous power on their territory. This does not change the fact that when Walesa was still chief of Solidarity, Moczulski said that he had more power in the Confederacy than did Walesa in the union.

The KPN is taking part in the discussions on the formation of a government. "The problem is," I hear from a well oriented politician from one of the post-Solidarity parties, "that they have over 10 percent in the Sejm, and these are people who have crawled out from who knows where. How can one conduct politics with them? Even if they were to get a couple of ministries, who will they fill them with? It's not so bad if they get ecology, or transport, but if it's something important? Moczulski wants to get National Defense, and that could be dangerous. He speaks like a prophet, not a politician, whether he speaks to the camera or face to face."

Leszek Moczulski undoubtedly has a sense of mission.

More than once he has alluded to comparisons with Jozef Pilsudski. In his brochure, "On the Threshold of Independence," he wrote that "high politics makes great people." From the brochure's content, it is easy to reach the conclusion that he is one of those people. He knows, that he will one day become prime minister. For now, he wants to take the portfolio of minister of national defense, because he is, as he puts it, the politician best prepared for this. "In the Polish army there are many colonels who have nothing but briefcases, senility, and hemorrhoids," says the KPN leader. In the course of four years, he wants to create a numerically smaller professional army, as in Sweden. For now, one can meet a lot of military men in the headquarters of his party.

In foreign policy as well he makes connections to Pilsudski; his ideal is a sea-to-sea commonwealth, a political and economic union of Poland, Hungary, Czechoslovakia, Ukraine, Belorussia, and Lithuania.

The KPN considers that the Sejm should hold the government after 1944 to be illegal; this would not, however, have to lead to punishment for the members of those governments. "We accept the entire actual legacy of the PRL," says Krol. "But we refuse to accept the political legacy. In practice, this means the invocation of

such ideas as the tradition, origins, and roots of the Polish state. This is important."

Krol does not think that this could cause some minor confusion in the political life of the Republic.

It appears that with the passage of time, anticommunism, even as a verbal political indicator, will decline in significance. With this, KPN activists are deprived of a fundamental ideological cement. The "statism" which they proclaim is defined rather generally. It could happen that, as high politics comes into the open, Leszek Moczulski's deputies will crawl away in all directions. The prewar Pilsudski-ites were kept together by the marshal's authority and, especially after his death, the exercising of power. The KPN has until now had neither power nor—not to offend Leszek Moczulski—a marshal.

SdRP Identifies 3 of Its Companies

92EP0226C Warsaw RZECZPOSPOLITA
(ECONOMY AND LAW supplement) in Polish
14 Nov 91 p 1

[Article by J.J.: "Social Democracy's Companies"]

[Text] The SdRP [Social Democracy of the Polish Republic] announced the names of the party's three companies at a press conference it held on 12 November. Unfortunately, we do not know much about them for the time being.

Transakcja came into being on 26 July 1988. At first it had two shareholders, RSW [Council on Higher Schools], with shares valued at 100 million zlotys [Z], and the Academy of Social Sciences, with Z50 million worth of shares. The Central Committee of the PZPR [Polish United Workers Party] became a third shareholder in December 1989, taking Z148 million in shares. The other two shareholders each retained shares worth Z1 million. Last year the SdRP took over the shares previously held by the PZPR and the RSW, and the Society of Friends of the Academy of Social Sciences took over the academy's shares.

The Euro-Tour Company was formed in January 1990. Its initial shareholders were the Economic Agency, with Z80 million worth of shares, and Interster, with Z20 million worth. In September of last year, SdRP bought the agency's shares at a price equal to face value. Jozef Misztal, Jerzy Turkowski, and Zenon Kucia became members of the board. The company renders touristic services and has three hotels, in Mierki, Zakopane, and Warsaw, and a boarding house in Kolobrzeg.

The Economic Agency was formed in December 1989. ZYCIE WARSZAWY reported on 25 October of this year that at first its owner was the Politburo of the PZPR's Central Committee. The SdRP is one of its shareholders at the present time. Wieslaw Huszcza is chairman of the company's supervisory council. Tadeusz Nestorowicz is president of the company.

'Beer' Party Claims Medium-Sized Businesses

92EP0128A Gdansk TYGODNIK GDANSKI in Polish
No 45, 10 Nov 91 p 6

[Article by Aleksandra Ciechanowicz-Sarata including interview with Tomasz Holc: "The Polish Party of Friends of Beer Is Not a Cabaret Act"]

[Text] Right after the announcement of the election results, the coastal dailies presented profiles of the new deputies from the Gdansk region. In each case, the picture and biography of deputy Tomasz Holc, who was a candidate of the Polish Party of Friends of Beer [PPPP], was missing. It was known only that he is a 44-year-old businessman, residing in Michalin, near Warsaw, and that in the course of the entire election campaign he did not appear publicly in his electoral district. Meanwhile, two Gdanskians ran under the PPPP banner in Bydgoszcz—another charm of the Sejm voting regulations.... Neither in the Gdansk section of the PPPP, nor at that party's election committee in the capital, did anyone know anything concrete about the newly-chosen deputy. Our reporter decided therefore to find Mr. Tomasz Holc at his private address.

Michalin is a community at some distance from Warsaw, on the Otwock line. On Samorzadowa Street, among elegant white villas, I found the house I was looking for. I pressed the button on the housephone by the gate. A pleasant male voice invited me in. I explained the reason for my visit. We went from a large, handsome hall to his office.

[Holc] I don't know if I should tell this to the press, but I have never been a politician, and I still don't feel like one. I am a businessman. Mr. Janusz Rewinski, on the other hand, is an actor with feeling and imagination. He created a party, and what is more, it turned out that it has an electorate. He turned to us, to people of business, that we not waste this chance. My colleagues and I agreed to be candidates to the Sejm. Meanwhile, a row broke out in the party. The founders began to quarrel. I did not get involved in those matters. I was at the election committee only once. What interests me is the development of medium-sized businesses, like mine. I know about economics, and that is what I will speak on in the Sejm.

[Ciechanowicz-Sarata] Who are you? Where did you come from?

[Holc] I was born in 1947 in Warsaw, in a family of intelligentsia. My father is an electrical engineer, and so am I. I completed the Warsaw Polytechnic. I was given a job, at which I quickly realized that unless I joined the party, nothing good would happen to me. I did not join, however. I ceased activity in political organizations in elementary school, in scouting. Then I began sailing. I fell in love with open spaces and freedom. In 1972, my brother settled for good in London, and I began to travel. First to Morocco and Switzerland. There I learned to work. I saw that work could have some sense. It can bring

one money. I spent 10 years on constant trips. To have my own business became my dream. In 1979 I knew that I would have it.

[Ciechanowicz-Sarata] And what did you do in 1980?

[Holc] That's a good question. Wait, how did it go? Yes, in 1982 the first Polish-diaspora businesses were founded. My brother bought a house from the State Treasury in Serock. We fixed it up. A business firm named Sportis was founded; my brother named me director. We began to produce sailing gear and clothing. At first, everything for the English market. Then we began specialized production for the Polish market: for fisherman, the Navy, and the militia. We started up two more plants, in Marki near Warsaw, and in Bojano, in Gdansk Province. My wife's plant, producing women's clothing, was also opened. I built this house. In 1988 I stood up on my own two feet. Today it isn't easy for us; we have the same problems as all Poles do.

[Ciechanowicz-Sarata] Aren't you by any chance exaggerating?

[Holc] There is no market in Poland; export to England is at present weaker. The police, the Navy, and fisherman have great needs, but have nothing to pay with. We are watching those contacts, however. In the end, the market will rebuild itself.

[Ciechanowicz-Sarata] How much do your employees make, and—if one may ask—what are the owners' profits?

[Holc] Workers make 2.5 million zlotys [Z], supervisors around Z4 million. My brother in London is the owner. My wife's and my director's salaries come to Z2.5 million. We are a family, so we share in the profits along with my brother. Sometimes that is on the order of Z5 million, and sometimes Z15 million monthly. It is difficult to be more precise.

[Ciechanowicz-Sarata] Why did you become a candidate to the Sejm?

[Holc] I want to fight for such regulations as will permit medium-sized businesses to develop. Businesses like mine. The middle class is the solution for our economy in the crisis period.

Minority Rights Issue in Lithuania Easing

92EP0066A Munich SUEDEUTSCHE ZEITUNG
in German 12 Nov 91 p 10

[Article by Thomas Urban: "Tentative Approaches After a Century of Hostility: A Compromise Appears in Sight in Negotiations on the Rights of the Polish Minority in Lithuania"]

[Text] Warsaw, Nov—"We want to solve the difficult problems without polemical discussions of the past." With these words, the Polish Foreign Minister Krzysztof

Skubiszewski circumscribed his position in the negotiations with the Lithuanian leadership on a treaty governing neighborly relations. The most difficult point in this has turned out to be the question of minority rights—for the Polish foreign minister a familiar experience. In the negotiations with the FRG Government, too, the treaty guarantee of the rights of the Germans, who remained above all in Upper Silesia, required a high degree of willingness to compromise on the part of both sides. Not least of all for this reason the discussions between Warsaw and the Lithuanians are followed with the greatest attention both in Bonn and in the Central Council of the German Associations in Poland.

For weeks it seemed as if the Polish-Lithuanian negotiations would break down over the minority question. Then in October the delegations of both governments, almost as a surprise, arrived at an agreement concerning a joint declaration, which is designed to pave the way to a treaty. In it both sides have declared their readiness to adjust the status of the minorities in their own countries to the norms set forth in the Copenhagen Convention of the Conference for Security and Cooperation in Europe (CSCE) of July 1990.

Since Lithuania gained its independence for the first time after the First World War, a permanent conflict has been smoldering between the two neighbors. After the disintegration of the Czarist Empire, to which both the greater part of Poland as well as the Baltic States belonged, Vilnius became initially the capital of the newly-founded state of Lithuania. But already in 1920 Polish units marched into the city. The leadership in Warsaw justified the military action, which was in violation of international law, citing the fact that two-thirds of the inhabitants of Vilnius were Poles. Under Polish control a state of "Central Lithuania" was proclaimed, whose government two years later asked for union with Poland—a request which Warsaw readily granted. Because of the "Vilnius question" the relations between Lithuania and Poland remained strained during the interwar period. There were neither diplomatic nor economic relations.

The aftereffects of the conflict of the 1920's determined to this day the climate between the two peoples, although as a union from the 14th to the 16th centuries under the Jagiello dynasty they had formed one of the most powerful states of Europe. The five decades, during which Lithuania since the beginning of the Second World War belonged to the Soviet sphere of influence, too, have by no means extinguished the memory of the military action ordered in Warsaw. To be sure, during the first postwar years hundreds of thousands of Poles had to leave Lithuania—and especially the capital of Vilnius, but a considerable minority remained behind. Today the Poles in Lithuania, with approximately a quarter of a million people, account for slightly less than 10 percent of the population.

Since in the first free parliamentary elections in March 1990 the nationalist-oriented Sajudis movement reached

the absolute majority, there repeatedly developed ill feelings between Vilnius and Warsaw. Leading representatives of the Polish minority supported initially the Interfront groups and in so doing attracted the distrust of the Lithuanian nationalists. These representations of the Russian population, guided by the central apparatus of the CPSU in Moscow, had sought to prevent a withdrawal of the Baltic republics from the Soviet Union. Five of the seven deputies of the communists loyal to Moscow in the parliament belonged to the Polish minority. After the putsch attempt in Moscow, Lithuanian members of parliament presented material to the public which, in their eyes, incriminated leading representatives of the Polish minority. The parliament in Vilnius therefore ordered the suspension of the activity of the two Polish regional councils in two rural districts inhabited almost exclusively by Poles. Backed by the Communist Party in Moscow, Polish organizations, in the fall of 1990, had declared one of these districts to be an autonomous area. It was their goal to establish a Polish socialist Soviet republic.

After the de facto dissolution of the two bodies, a storm of indignation erupted in the Polish press. In splashy reports on the front pages, there was talk of the oppression of the Polish minority, of well-aimed measures to extinguish Polish culture. Thereupon the Lithuanian media, as well as Parliamentary President Landsbergis, accused the press and politicians of the neighboring country of wanting to manipulate the world public through exaggerated reports. Landsbergis pointed out that the regional councils were to be newly elected within the next three months. Anyhow, only the regional councils, but not the Polish municipal councils, were affected by the order of the Lithuanian parliament. Likewise, the Polish language press and the school system were not subjected to restrictions of any kind.

When the agitation in Warsaw reached its climax in the second half of September, the president by seniority of the Senate, the 83-year-old Sanislav [as published] Stomma, admonished his fellow countrymen to be composed and objective. The senator, who is regarded as a moral authority, was born in today's Lithuania and studied in Vilnius during the 1930's. In contrast to Poland, he pointed out, Lithuania regards the time of the state union as a period during which its own upper class was Polonized and its own culture was suppressed. During the era of Soviet rule, he further indicated, the conflicts between the two peoples were purposely kindled by Moscow in accordance with the slogan, "divide and conquer."

Stomma advocated close economic cooperation with the neighboring country. This, he said, is the best way to overcome distrust. At the same time, he demanded from the leadership in Vilnius that the rights of the Polish minority be respected. This, he observed, includes the question of citizenship; the parliament in Vilnius had decided that the members of the Polish minority would have to submit applications to obtain Lithuanian citizenship, which were to be examined on a case by case

basis. The Polish Foreign Minister Skubiszewski meanwhile demanded in a letter to his Lithuanian colleague Algirdas Saudargas, that the inhabitants of Polish descent of Lithuania be granted citizenship automatically. In the discussions at the beginning of October, the Lithuanian delegation yielded on this question. Likewise Vilnius now no longer insists on redrawing the administrative boundaries anew. Thereby the settlement area of the minority would have been added to larger administrative units with predominantly Lithuanian population.

What remains to be negotiated, however, is the degree to which the Polish language in the settlement area of the minority is to become the administrative language, as Skubiszewski, according to press reports, formulated it in an aide-memoire of his department last November as a negotiation position. In the internal paper, which became known this spring, mention is made also of Polish kindergartens and schools, examinations for admission to universities in Polish, as well as bilingual signs giving the names of localities and other information. According to the paper, the Polish Foreign Office is also seeking an accord that would grant dual citizenship to Poles in Lithuania.

Radio, TV Station Proliferation Discussed

92WT0067A Warsaw GLOB in Polish 20 Nov 91 p 2

[Interview with Marek Rusin, deputy minister of communications, by Grazyna Zurawska-Malkowska; place and date not given: "Wearing Down the Monopoly"]

[Text] [Zurawska-Malkowska] There is an increasing muddle dominating the airwaves. One illegal radio station after another is springing up. What's your view of all this?

[Rusin] I wouldn't exaggerate. It's not that many. These are rather sporadic attempts to test how far you can go in evading the law. I have to tell you that I haven't had trouble with these matters to date. Our reaction comes swiftly.

[Zurawska-Malkowska] But you can gain the impression that some parties are more equal than others before the law that is being created. For example, there is Radio Zet, Radio S, and Radio Fun in Krakow, and others cannot break in.

[Rusin] You can divide the pirates into two groups, those that have a permit, and those that don't. The communications law in effect since last year provided for certain possible interpretations, and on this basis we issued four permits. These radio stations are not pirates. They operated entirely legally until 15 January. The new law didn't revoke those permits, but today's regulations are completely different. A dilemma arose over whether to close those radio stations and wait to see what develops or to permit them to continue in operation until the legal situation was resolved. I start with the assumption that if

they are shut down, we have to propose something to replace them. Otherwise the air will be filled with a denervating silence.

[Zurawska-Malkowska] I don't know whether Radio Zet listeners would allow the station to be shut down.

[Rusin] I wouldn't be afraid to do it. It's simply a question of abiding by the principle that when you shut something down, you have to replace it with something.

[Zurawska-Malkowska] And what are those who invested enormous amounts of money in creating the radio stations to do, those who showed some initiative?

[Rusin] At the present time nobody has any guarantee that they're going to be able to broadcast. Even stations like Radio Zet, Radio Fun, Radio S, and Wroclaw's TV Echo. Anyone who invests in radio or television today does it solely at their own risk. If a person wants to risk millions, that's their own private affair. Decisions on paper have to be made in every business all over the world. Every bank, every responsible producer of equipment, asks first for a frequency allocation. The potential broadcaster candidates did not have such a decision, so they decided to take a certain risk when they invested their money.

[Zurawska-Malkowska] But in this way you favor those who already had a permit and operate according to squatter's rights and the law of prescription.

[Rusin] Assuming that the new radio and television law would come out much sooner, I thought that we could extend the permits that had been issued for these three months. As it turned out, the quarter passed, as did several other quarters. I was convinced that I would be issuing permits by July at the very latest. For objective reasons, this deadline had to be changed and will still have to be.

[Zurawska-Malkowska] But there is a local radio station operating in Zakopane, for example.

[Rusin] I've never heard of it. A request was made to set up such a local station for two days in connection with the CSCE, I think, and that could be it.

[Zurawska-Malkowska] In the light of the regulations in effect, what risks do pirates face?

[Rusin] The communications law brought the misdemeanor code up to date and says that they face a fine or three months in jail, and in addition to that they may have their equipment confiscated.

[Zurawska-Malkowska] In view of that, what threat does Radio Wa-wa face, which operated for 48 hours?

[Rusin] I think we can treat this case as an attempt to get around the regulations. The violation was obvious. We reacted quickly, but there is sin and then there is sin. This was not one of the most serious ones.

[Zurawska-Malkowska] What sort of decision can we expect in regard to the Morze television station, which broadcast programming in Szczecin for three days?

[Rusin] An action is going to be brought against them. These people started operating on a frequency that interfered with the running and public safety of the airport in the Szczecin area. They broadcasters knew this, but for three days they broadcast despite warnings.

[Zurawska-Malkowska] How come we have so many Catholic stations in the country?

[Rusin] This is a completely different matter. Eleven permits have been issued, but only six are in operation. These are tiny stations, local ones. The 1960 Radio and Television Committee law regulates the right to air programs in our country. This law was amended by the 1989 Law on the State's Relationship to the Catholic Church in the Polish People's Republic, now the Polish Republic. In granting the church the right to create and disseminate radio and television programs, the 1990 communications law expanded the 1989 Law on the State's Relationship to the Catholic Church by granting the church the right to own broadcasting equipment. This was included in an agreement between the church and the Ministry of Communications. As a result of it, a special radio and television unit was created within the secretariat of the Council of Bishops. We adopted the principle that Bishop Orszulik, who runs this unit, would determine where a church radio station was to be set up and would send me an appropriate request to have a frequency allocated.

[Zurawska-Malkowska] What sort of defects are there in the radio broadcast law awaiting the president's signature?

[Rusin] I don't see any particular defects, although this is a rather delicate piece of legal construction. A National Radio and Television Council consisting of nine members is created. It is headed by the Chairman of the National Council. It has the authority of a central body. Among other things it grants program concessions, and this has the nature of an administrative decision. This was the very reason for the criticism. The whole council is, after all, responsible only to God and history. It is not accountable for its positions. Even more, for six years a council member cannot practically be removed, unless a criminal act is committed. The second serious defect is that the law says nothing about the monopoly issue. After all, you can imagine a situation where somebody operating openly or through a representative grabs control of a number of stations, and instead of variety we wind up with a single monopoly. And the law doesn't define any sort of conditions that radio and television programming must meet either. For example, can it all be just retransmissions via satellite? The example is not a foolish one, if we take into account Polish Radio's Program IV. Is this a program of Radio Free Europe or Polish Radio? I have my doubts. Also missing is a clear description of how public television is to be financed. As

a society we do care about where the funds will come from and who will stand behind television programming.

[Zurawska-Malkowska] So then, will the president sign the new law or not?

[Rusin] I think the president will sign the law. I believe in his political intuition. An imperfect law is better than no law at all. A new Sejm has the possibility of improving an imperfect law, but it's frustrating not having any law at all.

[Zurawska-Malkowska] So will the state monopoly be broken once the new law is signed then?

[Rusin] Not right away. I'm counting on the fact that it will be at least half a year before the council's membership is established and the office of the council is created. Given today's level of broadcasting and receiving technology, there is room for 1,600 radio stations in Poland, but a single nationwide Polish program is already 80 stations. So there will be six nationwide Polish stations and 15 local ones. These local stations, which will be in every major town, can of course hook up with one another to create regional stations. As for television, there will be three nationwide Polish stations and a fourth, whose scope will not take in the whole country right away. It will be possible to set up two or three local programs too. The possibilities I have mentioned will be reached gradually, so that it will be between six and eight years before we will be talking about filling up the Polish airways, and about breaking up the monopoly, unless a new one doesn't spring up in the meantime.

New Newspapers Appearing on Market

92P20083A

[Editorial Report] GAZETA WYBORCZA in Polish on 21 November carries a brief (200-word) article on page 3 on the difficulties of launching three new newspapers: NOWA EUROPA [New Europe], NOWY SWIAT [The New World], and OBSERWATOR CODZIENNY [The Daily Observer]. The editors in chief of these papers attribute the delay in publication to "technical difficulties."

Krzysztof Teodor Toeplitz said that "the elite to which NOWA EUROPA is addressed" will have to wait for its appearance until the end of December. Toeplitz, a feature columnist for the weekly POLITYKA and editor in chief of the new paper, also said that sample issues of NOWA EUROPA have been appearing for the past month, and that the paper has been in preparation for over a year. Marcin Krol, editor in chief of the monthly RES PUBLICA, announced this past March that he will begin publication of his daily OBSERWATOR by September or at least just before the October parliamentary elections.

He now says that the team of journalists of OBSERWATOR CODZIENNY, the new name of the daily, has been preparing "entire issues" hoping to be ready for publication by mid-December.

Journalists from these "as yet nonexistent dailies" cover important events "in a dry run," notes the article, but an

unidentified journalist from one of the papers told GAZETA WYBORCZA that "other journalists are laughing at me, saying that I work for a fictitious firm." The last of the new titles, NOWY SWIAT, is scheduled to appear on 30 November, according to editor in chief Piotr Wierzbicki, former editor of TYGODNIK SOLIDARNOSC, barring a "fire in the printing office or a plague in Warsaw." He added that the paper will cost 1,000 zlotys per issue. Originally planned for publication the day after the elections, Wierzbicki defended the delay by noting that "it is hard to plan the first edition's publication date when one has never worked for a daily." Of the three, NOWY SWIAT has already appeared, as reported by Teresa Kuczynska in the Warsaw weekly TYGODNIK SOLIDARNOSC in Polish, No. 49, 6 December on page 2. Kuczynska introduces the article with the personal observation that when Piotr Wierzbicki informed his colleagues at TYGODNIK SOLIDARNOSC that he was setting up a "conservative paper," he "took them all by surprise": "he, an intellectual without a penny to his name," is throwing himself into an enterprise "requiring specific organization, knowledge, and obstinacy." Wierzbicki also told his colleagues, notes Kuczynska, that he wanted "to have a newspaper for which he could write." NOWY SWIAT, financed by a group of Polish businessmen, "was awaited by many people in Poland," notes Kuczynska. Specifically: "People with views to the right of social democracy and the lay left, people who felt the lack of a new newspaper that treated the right-wing political direction in a more European fashion than most of the Polish press, which has remained under the sway of the left." By "in a European fashion" is meant "as an imminent part of the political landscape of a democratic country."

Even so, explains Kuczynska, NOWY SWIAT is not meant to be "an organ of the right-wing," but rather an expression of the journalistic team's opinions, which are "quite varied" and which consist of journalists from various established "lineages," such as ZYCIE WARSZAWY, RZECZPOSPOLITA, GAZETA WYBORCZA, and TYGODNIK SOLIDARNOSC. NOWY SWIAT is also, continues Kuczynska, addressed to people with no particular political orientation who are looking for a paper that is not "saturated entirely in politics" and that does not "breathe hatred" toward its political adversaries. Wierzbicki wants to make a paper for "normal people," one that will cover "all aspects of life," and not necessarily only the political side of it.

Hungarian Pistols, Ammunition Seized in Gdynia

92EP0128B Warsaw ZYCIE WARSZAWY in Polish
5 Dec 91 p 1

[Article by (pjw, pad): "Hungarian Pistols in Gdynia"]

[Text] As we have learned from the provincial prosecutor in Gdansk, 20 shipping containers of Hungarian-produced ammunition and modern submachine guns have been discovered in the commercial port in Gdynia.

The discovery was made after a break-in to one of the containers on the night of 26 November. A crate of ammunition was stolen at that time. In the course of the investigation it turned out that seven of the open containers contained ammunition; 11,000 submachine guns, comparable in parameters to the Israeli Uzi, were found in the rest.

It has been established that the transport crossed the Polish border at Zebrzydowice, and was escorted to Gdynia by the Border Guard.

The transport was escorted by a Hungarian citizen. Prosecutor Lanckorzynski did not deny, but also did not confirm information that it was an officer of the Hungarian Army.

As we have learned from well informed sources, the transport was to be delivered to Lagos, Nigeria. Other sources say that the weapons were to be delivered to Yugoslavia by a Danish ship which sailed directly after the break-in.

Another version says that the Hungarian citizen did not reach an agreement with the ship's captain as to payment. He is now seeking a new carrier for his goods in the port.

On a motion by the provincial prosecutor, the containers are now being guarded by soldiers of the Polish Armed Forces. The Hungarian citizen responsible for them has not agreed to their transfer to the military port in Gdynia. The regional prosecutor in Gdynia is conducting a detailed investigation in this matter.

'Bumar' Tank Production Plant Difficulties

92EP0112A Warsaw RYINKI ZAGRANICZNE in Polish No 136-137, 12, 14 Nov 91 p 8

[Article by Henryk Nykiel: "Bumar-Labedy Tank Problem"]

[Text] For many years the Bumar-Labedy Tank Production Plant was the largest exporter in Katowice Voivodship and one of the largest in the nation. Today the firm is in an unenviable situation. In spite of large layoffs this year, there is not enough money even to pay those who remain.

What was recently Bumar's specialty today is its handicap. Although it was officially reported that mechanical excavators and cranes on circular chassis were being produced in Labedy, almost everyone knew that this was one of the largest tank plants in Europe. A good many of the tanks were exported, mainly to the former Warsaw Pact nations and to the Middle East.

Times of political stability were never profitable for weapons manufacturers. Bumar-Labedy's serious problems began last year. The breakup of the Warsaw Pact and ban on exports to the Middle East after the outbreak of the Persian Gulf war caused the rapid collapse of

practically the entire Polish weapons industry, also paralyzing Bumar's operations. Nearly 200 unsent tanks stand today on its lots and in its shops.

At the government's initiative, the plant had to withdraw from contracts already negotiated with the Arab customers. This caused the firm to sustain a loss of hundreds of millions of dollars. The market does not tolerate waste. Czechs have rapidly occupied Bumar's floor space. Last year the Labedy plants exploited barely half of the potential of their former military production. This year there will be minimal exploitation of the potential.

The firm's very difficult financial situation results not only from the lack of opportunities to export tanks and not gaining any orders at home, but also from the necessity of maintaining technological lines and strategic reserves for national defense purposes. These expenses are included in the costs of consumer production, which, consequently, must be more costly but not very competitive. According to the representatives of the armament plants, the government should bear the costs of maintaining these production lines in a ready state. Otherwise, no plant will independently overcome these problems. In the case of Bumar-Labedy, the government owes the enterprise about 400 billion zlotys [Z] for unpurchased production, ordered by the Ministry of National Defense, and for maintenance of technological lines for defense purposes.

In July 1991, a painful cut had to be made. About 2,500 persons, that is, about one-third of the total employees, were laid off. Not long after that, 3,000 workers were forced to take leave, and their salary is lower than unemployment compensation. About 2,000 workers presently remain.

Today it is difficult to predict how long this situation will continue. On 22 October, a two-week strike was organized at Bumar-Labedy (and at several other of the nation's defense industry plants) by the plant's Professional Solidarity Union and was supported by another union. As early as June, both unions, concerned about the fate of thousands of their members, announced a protest action and went before the government with demands to guarantee further credits, define the status of the firm, and acknowledge complete independence.

According to recent information, Bumar-Labedy, along with 17 other firms, will receive the status of state defense industry plant. However, this will be effective on 1 January 1992. This is certainly important for Bumar, although the most important issue today appears to be solving the financial question. The plant's team and management by no means intend to remain in arms production. Although, on the other hand, considering the specialized equipment, experience and qualifications

of the workers, complete departure from this production would be logically and economically erroneous. It is known, after all, that the Polish Army will need tanks even in peace time. Moreover, tank export is lucrative. Soon others, richer and poorer than us, will be exporting weaponry; therefore, we should not have to do this.

It is true that the T-72 tanks produced currently in Bumar are not the most modern. However, according to specialists, they do not lag far behind the world vanguard in their class. It is also impossible to ignore the fact that there are about 4,500 T-72 tanks in the materiel of various armies. They may be modernized and outfitted with new subassemblies.

Having suitable production technologies and capabilities at its disposal, Bumar is certainly likely to obtain orders for delivery of everything required for tank modernization. Contractors from Asia and South America, seeking less costly arms, are interested in the offering of the Labedy enterprise. Under consideration is the possibility of starting production of a new model of tank based on the designs, and perhaps the license, of West European firms. The Bumar production lines may also adjust to the production of another kind of armored weaponry. Obviously, everything depends on government agreements and the circumstances in the international arms market.

Not waiting for government decisions, the enterprise worked out a plan of restructuring, which was favorably evaluated by the consulting firms, the Agency of Industrial Development and the ministries of industry and commerce. It provides for significant reduction of military production and launching of new consumer products.

Bumar is interested in cooperation with foreign firms. This year the enterprise signed a five-year cooperative agreement with the well-known German concern Krupp. Certain hopes are also tied to a signed letter of intention with the Swedish concern, Volvo. It stipulates the startup of joint production of 30-ton trucks. Other firms, including non-European ones, are also indicating interest in cooperation with Bumar. However, it does not appear that the enterprise can completely drop production of tanks, which until now have made up 70 percent of its entire production.

Foreign Ecological Firms Chosen at Greater Cost

92WN0202A Warsaw RZECZPOSPOLITA
(ECONOMY AND LAW supplement) in Polish
29 Nov 91 p 1

[Article by Krystyna Forowicz: "How To Win Local Ecology: 100 Billion Dollars Needed"]

[Text] The view that foreign technology is the only way to halt the ecological deterioration in Poland is becoming more and more popular. Many domestic investors, parish mayors, and city presidents are fascinated with expensive Western solutions.

Meanwhile, our equipment, which is cheaper by far, is often on a level with good European practice, according to Bronislaw Kaminski, chairman of the National Environmental Protection Fund, who met with journalists on 28 November, at the EKOS club. He presented the waste water treatment project in Gdansk as an example. Three firms, German, Danish, and Polish, were contenders. The Western firms offered their services for a trillion zlotys [Z], but the Polish company's price was half that. A World Bank expert claimed all three designs were technologically comparable, but the way the Polish company had prepared the documentation, the project would not qualify for World Bank credit.

Poland's opening up to foreign cooperation has created a situation in which we have organized business that has been in operation for decades in a market economy, on the one hand, and the Polish side with domestic investors unprepared for such cooperation, on the other.

Here is one more example: In Warsaw there was an international competition to build a southern waste water treatment plant to serve 250,000 residents, but the projected capacity was two or three times too large, permitting water to be wasted, because of poor water management. The fund will not give loans for inefficient projects. Foreign firms often try to take advantage of their naive Polish partners. Examples are a German company called Kraftanlagen and the city of Pilsen, as we wrote in RZECZPOSPOLITA on 25 November. In such cases, Chairman Kaminski has promised to renew the bidding, in which a dozen or more Polish companies will also participate.

At present "something" is happening, something we call "bidding," but what happens does not always deserve to be called that.

This year investors send the National Environmental Protection Fund more than 2,000 applications for loans and priority credit totalling more than Z10.5 trillion. The problem is that the fund received Z1.4 trillion in its account this year, and the chairman anticipates Z4.5 trillion next year. Chairman Kaminski says: "We chose about 400 of the most urgent priorities. One of them will be a domestic program to use ethanol, gradually over the next four years, as a five-percent additive to fuel. This will permit a 50-percent reduction in the lead in automobile fuel emissions. We also want to implement whey utilization projects in 15 dairies, as an alternative to building waste water treatment plants for that industry. There are ideas for power-industry management for the Bobr River using the methane in hard-coal deposits, for using the silt clay in the dumps in Belchatow, and for creating a national recycling agency. There is a coal enrichment program under way in four mines."

"We must invest 100 billion dollars over the next 30 years to save the environment in Poland," Kaminski said. "Foreign aid is estimated at a value of about Z600-700 billion. These amounts overall, including

budget funds, are not very great. For this reason, ecological investments must be carefully considered, discussed, and precisely dealt with."

Belorussian Trade, Tourist Developments Viewed

92EP0116D Warsaw RYNKI ZAGRANICZNE
in Polish No 141, 23 Nov 91 p 1

[Article by J.Z.: "Treading Belorussian Paths"]

[Text] The process of normalizing Poland's economic relations with the independent republics of the former Soviet Union is gaining speed. The initiatives that our neighbors to the East are making are helping the process along. The Belorussian press recently printed a resolution of the republic's Council of Ministers on "means being taken to develop commercial and economic relations with the Polish Republic."

Belorussia's Ministry of Foreign Affairs is taking on the responsibility of finishing work on an agreement between the Republic of Belorussia and the Polish Republic this year. The appropriate Belorussian ministries will enter into talks with the Poles on opening consular institutions and commercial agencies in Poland during the first half of 1992. Next month, the Belorussian Council of Ministers should review the proposals agreed upon concerning adoption of most favored nation status in mutual trade. A Polish-Belorussian department store is to open this very month.

Trade will be encouraged to develop by allowing foreign firms to open ruble accounts in Belorussian commercial banks and other banks. The creation of joint ventures involving Polish investors in target areas will further spur development.

The Belorussian government plans to make tourism back and forth much easier. Joint agreements are already being negotiated to open the borders to citizens of both countries in the localities of Domaczewo and Berestovitsa. Direct rail connections between Minsk and Warsaw will be established. Efforts will also be made to increase the number of air and bus connections.

Belorussia's new tariff directives should also help step up commerce and tourist traffic back and forth. The republic's leaders have decided to make industrial, food, and general imports from our country exempt of all duty and import taxes. This will include drugs and nutrients for children and the infirm. Equipment and machinery for farm and garden use will also be free of import fees, as will materials and raw materials for light industry.

Opole Power Plant's Antipollution Measures

92EP0116B Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 14 Nov 91 p II

[Article by K.F.: "Opole Behind Europe: 'Healthy' Electric Plant"]

[Text] The Opole electric power plant signed the country's greatest environmental protection contract ever made. The contract, valued at 380 million German marks, was signed with a German firm, Klockner-Hoelter, for technology for desulfurization of combustion gases. The technology will be used on all the plant's 360-megawatt power units.

"This fulfills our ministry's declaration that it would not permit any new installations without environmental protection equipment to go into operation," Minister Maciej Nowicki said during the formal signing of the contract on the 13th of this month.

Opole is the first electric power plant desiring to be truly European. In keeping with European requirements, the technology selected will ensure removal of more than 90 percent of the sulfur from combustion gases and adherence to stricter standards. This technology will intercept more than 100,000 tons of sulfur dioxide that would otherwise be emitted into the environment. Jozef Pekala, the power plant's director in chief, pledged that desulfurization equipment would be built beginning with the first power unit. It will take 28 months to construct the installation. This means that mobilization will begin at the end of 1993.

The Opole plant will burn hard coal from mines in the Rybnik Basin. Environmental protection equipment did not figure into the power plant design made in the 1970's. The decision Minister Nowicki made last year to tighten standards for industrial giants' maximum emissions of harmful substances forced power plant management to ask the industry's minister to change the "technical and economic assumptions" and permit a larger investment. The power plant construction costs rose by 2.5 trillion zlotys.

The environmental protection ministry has held several working sessions since this past April, at which experts analyzed the ecological threat that the new construction poses for the region. The experts decided on the directions that the technology to be chosen must follow. The selection of the technology entailed an international competition involving 12 firms. Contenders included companies in Japan, the United States, and Germany. As everyone knows, European standards will go into effect in our country in 1997.

Coalitions, Economy in Postelection Results

92EP0105A Warsaw POLITYKA in Polish No 46,
16 Nov 91 p 7

[Article by Karol Modzelewski: "Without the Golden Horn"]

[Text] Not long ago, the ideal promoted by the democratic opposition was pluralism and five-point (that is, proportional) elections. Those who today are in the Democratic Union [UD] or the Center Accord [PC] argued then that democracy might be inconvenient, but that nothing better than it has been invented. After 27

October, those same circles lament that the new Sejm is very divided, and it will not be easy to form a government coalition. They place the blame on the voting regulations for being proportional, as a result of which the Sejm chambers reflect the divisions among voting citizens rather faithfully.

The attitude of yesterday's oppositionists toward proportional elections has thus undergone a change. Long ago, we rightly ridiculed the PRL leaders' illusions that there won't be any problems with the people if the voting regulations correct the will of the people enough so that there won't be any problems with the Sejm. It's not worth returning to that illusion. The Sejm does not exist so that it might be easy to form government coalitions. It exists so that conflicts which might otherwise be resolved on other streets might be resolved, with difficulty, yet in a parliamentary fashion, on Wiejska Street.

After 27 October, however, the laments over the voting regulations signify something more than belated regrets that a law to correct the will of the people was not passed in time. Some want to disqualify the new parliament, so as to get rid of parliamentarism next. This was the purpose of reproaching the previous Sejm, during the campaign over the voting regulations and decrees, for having been the product of a contract. Now that the Sejm is the product of free elections, one can shout that its "contract" predecessor approved bad voting regulations. I'm not surprised, for that is how supporters of dictatorships talk. I am surprised at parliamentarism's defenders. Their lament over the ballot box is probably an instinct of the profession, and dislike of the voters' verdict. But one has to choose: Either one must recognize that verdict, and make changes in economic policy, or stop playing at democracy and prepare some shortcuts.

In every election, the most important thing is the majority. This time, that majority was close to 60 percent, and decided to stay at home. Poland is not an affluent, stable state where a significant part of the citizenry doesn't bother to vote because they are assured about their, and their country's future. Sixty percent absenteeism in the first free parliamentary elections in half a century is an expression of distrust of the governing forces, and lack of belief in any other political force at all. In June 1989, a large part of those absentees made the difference in Solidarity's victory. What caused their change in attitude?

According to Adam Michnik, the "war on top" did. Many UD supporters share this opinion. Indeed, a large part of society interpreted the war on top as a chiefly personal conflict. The conviction that the Solidarity elites are fighting over positions, while the nation is living worse and worse, certainly contributed to the dethroning of the myth. However, I have the impression that some Union politicians are mad at Walesa not so much for the personal nature of the intrigues, so much as what they saw as the premature splintering of the [Solidarity] camp's victorious unity. I fear that, besides nostalgia for the lost ethos of the common struggle for

freedom, this attitude also contains authoritarian illusions. Cohesion of the government camp, maintained in spite of quarrels, might mean that growing social discontent might not be voiced in its ranks; but after all, this will not remove that discontent, and will not avoid the divide between the governing and the governed—in fact, just the opposite.

I think that the myth of Solidarity was destroyed not so much by society's outrage, but by the economic policy conducted, under the cover of that myth, by the governments of T. Mazowiecki and Jan Krzysztof Bielecki. The consequence of that policy had to be the impoverishment, and even the degradation, of the communities which were the social bases of NSZZ Solidarity. This was to be the price for economic success, but the decline of industry, the agricultural crisis, and the ruining of the budget—which brings with it the threat of the return of inflation—constitute a negative economic balance sheet for the last two years. The millions of people who considered the changes of 1989 to be their political victory, but who felt the economic consequences for the standard of living as a personal defeat, do not see a justification for the sacrifices endured. Solidarity, the symbol of the greatest hope of their lives, became the greatest disappointment in their lives. This is the main, but not the only, reason for the mass absence from voting.

The absenteeism is also partly a result of the ineffectiveness of the act of voting as a means of exerting some influence on the conditions of daily life. The experiences of the presidential campaign, after which the economic policy which a significant majority of the voters rejected was continued without change, played a disastrous role in this. Beyond this, that a great legion of the dissatisfied appears still to treat boycott of elections as a tested form of opposition, remembering that the communists feared such a protest. Most of all, however, the lack of an acceptable political alternative caused people disappointed with Solidarity to stay at home. The TV and radio did not make it easy to acquaint oneself with the numerous party options. After all, the experiences of their daily lives—under the communists until June 1989, and under the Solidarity governments after that date—were for the voters much more important than the hubbub of propaganda. Two years ago, one voted for Solidarity against the "commies." Today, the majority of those let down by Solidarity stayed home, because deeply rooted anticommunist emotions did not allow them to vote for the left alliance.

The voting results should be judged against this backdrop. The SdRP's [Social Democracy of the Republic of Poland] success is all the greater, since it was accomplished despite very strong anticommunist resistance in society. The decisive predominance of the PSL [Polish Peasant Party] over the Solidarity-based Peasant Accord is a true measure of the transfer of voters' sympathies. For part of the electorate, voting for the KPN [Confederation for an Independent Poland] became an expression of rejection of both Solidarity and the "commies."

The relative success of the ZChN [Christian National Union] is the work, but not a success, of the Church, which paid for its modest pool of mandates for the Christian Nationalists with an erosion of its authority as [an institution] standing above interparty conflicts. The defeat of the Solidarity left is significant. The circles to whom Labor Solidarity and the Democratic Social Movement appealed turned away from Solidarity, and did not vote for any of its versions. As a result, the SdRP is emerging as the only voice of the leftist electorate. At any rate, the post-Solidarity parties are now supported almost exclusively by voters of a rightist or center-rightist orientation. Such people have nowhere in the world voted for trade unions, which explains the painful setback for the union slate. On the other hand, in the center-right camp which is left over from the old Solidarity, only the UD and the Liberal Democratic Congress [KL-D] support the present economic policy.

What kind of coalition, what kind of government, what kind of policy will be logical, and safest for the country, after these elections? If parliament is to fulfill its fundamental function, it cannot narrow its horizon to the Sejm chamber. The configuration of forces in the country, and not only on Wiejska Street, is what counts. The majority which refused to participate in the election lost in a landslide, but not to pay attention to that majority could have disastrous consequences.

The post-Solidarity parties, taken together, have an arithmetical majority of mandates; politically, however, they find themselves on a lost battlefield. For politicians who dreamed of a repeat of the anticommunist plebiscite of 1989, and a return to the formula of a single "Solidarity camp," the election results are the bearers of bad news. If only it will be correctly read. The golden horn no longer sounds from that side. On the contrary: A coalition based on the symbol of Solidarity, rejected by a significant, and surely predominant, part of society, would antagonize all the discontented. The golden horn was lost on the Polish road to capitalism, and we will not be saved now by an inspiring symbol, but by compromise between different orientations and interest groups.

The object of compromise must be the direction and scope of change in economic policy. This policy has been made a dogma in the KL-D, and especially in the UD, setting the monetarist liberal option as equivalent to reform. It is high time that intelligent people stopped fooling themselves with the propaganda line about "one, correct" economic strategy, and turned to a sober assessment of various options. This is necessary for the Polish economy, and is, at the same time, required by the political situation. A government coalition cannot, of course, include the Left-Democratic Alliance [the SdRP], and Labor Solidarity should remain in the opposition of its own choice, if a noncommunist left is to have any future in Poland. The political credibility of the government, however, requires it to reach beyond the Solidarity banner, which means the need for the PSL's participation. The UD and the KL-D will have to make some concessions in the setting of economic strategy,

taking into account not only the positions of the PC, ZChN, and KPN, but also both fragments of the peasant movement.

It can also be done differently: Do not take the election verdict into consideration, do not go beyond the Solidarity banner, and push through the economic policy as before. However, this would be a signal for society that the governing elites treat the ballot box as a trash can. This would lead to a generalizing of the attitude of the boycotting majority, which does not recognize the Sejm as its representative and is inclined to push its demands on the streets. Politicians, especially those from the UD, who stand by parliamentarism, must choose between the "logic of a stabilization program" and the "logic of democracy." Those politicians who are inclined to reject democracy, temporarily, of course, until repealed, in order to force, with a strong hand, the nation toward capitalism should realize that no one in Poland today controls the instruments of effective dictatorship. A postelection compromise is a difficult solution, and is far from all sorts of ideals, but is the best way.

Rural Prospects Good; Credits, Support Needed

92EP0103A Warsaw *RZECZPOSPOLITA (ECONOMY AND LAW supplement)* in Polish 12 Nov 91 p 2

[Interview with Professor Wojciech Jozwiak, director, Institute of Agricultural Economy and Food Industries, by Edmund Szot; place and date not given: "Good Direction, Weak Incentives"]

[Text] [Szot] How do you assess the present situation in agriculture?

[Jozwiak] I think, just as does Minister Tanski, as he said in an interview for AGROBIZNES, that next year the situation in agriculture will be better than it is now. This has been confirmed by favorable price movements, the announcement that new credit lines will be opened, and the allocation of a fund for restructuring. Our assessments show that agricultural farms are making a great effort to adapt to the rules of a market economy. It is true that these adaptations are very specific in nature because they are based mainly on a change in the structure of production and the reduction of outlays, but the reaction of the farmers is most reasonable. And it brings them definite results, but neither the farmers nor the politicians talk about this.

[Szot] Therefore, it can be said that the farmers have reconciled themselves to the logic of the market?

[Jozwiak] The logic of the market simply dictates that a poor product loses out. That is why it attempts to defend itself against the exertion of pressure, counting on a return to the former favorable situation. It demands a return to guaranteed prices, the certainty that products will be sold, low interest on credits, etc. Meanwhile, in accordance with logic, it should be guided by the principle of being better, always being above average.

[Szot] The demands you name are unjustified?

[Jozwiak] Their basis is reasonable. After all, the average income in agriculture is scarcely a few dozen percent of that which employees in other sectors of the economy receive. The point is that the proposals for increasing farm incomes should comply with the principles of a market economy. There are, for example, many misconceptions on the matter of minimum prices. In my opinion, it will be a long time before we are able to manipulate prices and are able to ensure income parity to farmers.

We can, however, discuss whether sufficient funds have been allocated to stabilize production through intervention procurement of farm products or whether credit terms are sufficiently favorable. And here the answer is in the negative. Our studies show that under present economic conditions only the largest farms, those having over 100 hectares, have a chance at development. But how many of these farms are there in Poland? A few thousand? The others are reducing their investment outlays and using what income they have for living expenses.

[Szot] Over the long term, this may turn out to be dangerous....

[Jozwiak] In our institute, some staff members are warning that in a year or two, there may be a large drop in production. Studies conducted by an agro-chemical station show that there is enough phosphorus and potassium in the soil to last two years, i.e., for this year and the next. But in 1993 the buffering capability of the soil will end.

[Szot] The farmers also say that and that is why they see the present government policy as being decidedly unfavorable to them.

[Jozwiak] I would say it differently: The directions of farm policy are correct, however the incentives are weak. Add to this the generally difficult economic situation, which is not conducive to the desired transformations. For example, at this time we must expect that for some time yet more people will be coming into agriculture because industry is not able to ensure them a job, because in the city there is no housing for them.... Thus, if a million peasant workers were to return to the countryside, there would even be a retardation of the agrarian structure.

A policy of stronger support for the countryside is needed. The laws even favor this, the government helps those who want to retrain, the state participates in the expansion of the infrastructure in the countryside, etc. But the effects of the present unfavorable economic conditions are such that capital is fleeing from agriculture. Anyone who has money tries to invest it in other fields of the economy, because agriculture is very capital-intensive and the turnover of capital is slow because no one knows what to produce and whether it can later be

sold.... As a result, the large, well-equipped farms, because only they have money, stop cultivation. Only the mediocre remain.

[Szot] What changes in Polish farming do you expect after our country joins the EC?

[Jozwiak] On the whole, I think that Poland's entry into the Community will turn out to be good for our agriculture. Right now, together with Hungary and Czechoslovakia, we are working to make sure that the countries in the EC do not cheat us. The process of entry into the EC will be a long one, although at the same time it will cause serious structural transformations. We must find some kind of Polish specialties in which we could be competitive. I believe that this will be production which is more labor intensive. Possibly we may also turn out to be competitive in hog raising. We have a lot of experience in this field and we also have large numbers of hogs.

But right now we are producing too expensively. The consumption of fodder per kilogram of weight-increase is a few dozen percent higher than in the West. Maybe when the farmers are able to buy better fodder and new technologies appear, then, we too, will be able to produce more cheaply.

I do not foresee that we will become competitive in the production of crops, particularly when Ukraine gets on its feet. Neither will we win over the West with our milk. But fruits and vegetables—here we have a chance. Naturally, after fulfilling the conditions of competitiveness, which comes down to price and quality. We must simply offer prices that our competitors would find unprofitable. That is how the French, for example, eliminated us from the mushroom market.

[Szot] If we were to briefly attempt to present the positives of the present farm policy for agriculture, what would you mention?

[Jozwiak] Among others, the fact that farmers learned to efficiently apply the means of production, that they are doing well with adapting its structure to the needs of the market, that they have become acquainted with the need to restructure agriculture. From the actions of the government, it is apparent that it has a concept of structural changes in agriculture, but it does not have sufficient funds to implement it.

In addition, the speed of the changes in agriculture is determined by the generally difficult economic conditions. When economic conditions improve, these changes will be accelerated. But they will not occur in two or three years. This will take at least one generation. From a long-range viewpoint, I am an optimist, because the actions are going in a good direction.

Credits, Funds for Telecommunications Development

92EP0104A Warsaw *RZECZPOSPOLITA (ECONOMY AND LAW supplement)* in Polish 12 Nov 91 p II

[Article by Wieslawa Mazur: "Credits, Funds for Telecommunications Development: Who, Where, How Much?"]

[Text] The communications area has been given priority in the use of foreign credits for the development and modernization of telecommunications. These credits (and funds) are abundant. As we were informed in the communications industry, the World Bank [WB] and European Investment Bank [EBI] gave the largest loan of about \$205 million. Of this amount, the World Bank gave us \$120 million, and the EBI gave about \$85 million, or 70 million ECU.

These credits were designated for the construction of 12 transit trunk exchanges, a Eutelsat earth station (at that time, 1,000 links will be opened to West Europe), fiber-optic and radio lines, a system of network surveillance and control, and the purchase of monitoring systems and technical support. The period of execution is 1992-93. The credit waiting period is five years, and the repayment period is 12 years. Interest will be calculated based on the interest rate associated with LIBOR [the basic interest rate for European credits].

- The Szczecin node will be modernized with American credit. The loan from this source (\$63 million) will also enable the construction within the next two years of four trunk exchanges with 15,000 line terminals and telephone exchanges for Plock, Wloclawek, and Siedlce.
- The Spanish credit includes a loan from the government of Spain and from the Alcatel SESA company, with which we have a contract. This amounts to about \$120 million. The loan is designated for the modernization and reconstruction of the Warsaw telecommunication node. According to plan, the Warsaw node will have eight transit exchanges with a combined capacity of 301,000 new numbers. It will be fitted with radio and fiber optic lines, etc., and will come on line in the next two years. In the first half of this year, \$27.7 million was used (the government guaranteed the loan for \$78.7 million). There is no credit waiting period, and the loan must be repaid in 12 years. The creditors are allocating fifty-fifty of the total credit amount; the facts concerning percentage calculation are confidential.
- The French credit (guaranteed by the Banque Societe Generale) is associated with a contract negotiated with the Alcatel CIT firm. The amount of the loan is \$69 million. It was intended for the construction of ten telephone exchanges, thanks to which the subscribers of the Poznan, Piotrkow, Legnica, Koszalin, Lublin, Zielona Gora, Bialystok, Lodz, Suwalki, and Kalisz voivodships ought to receive 314.5 thousand new numbers. The waiting period is 3.5 years, and repayment is over five years. The amount of percentage calculated is confidential. This will be realized in 1992-93.
- A contract with the Samsung firm is associated with a probable loan worth \$50 million from the South Korean government (presently, the Korean Government has not stated how the credit will be dispensed). The funds were planned for the telecommunications development of the Opole voivodship, including new exchanges with a total capacity of 113,000 new numbers. There is a five-year waiting period and a long repayment period of 20 years. Percentage is calculated as 3.5 percent annually.
- The credits and funds from the Swiss Government (with a total value of \$12.5 million, conditions are under negotiation) for the most part concern contracts with Ascon-Hasler and ABB. For example, one of the funds is an Ascon telex exchange worth \$4.3 million, another is a 600-kW transmitter produced by ABB for \$3.5 million, which will be very useful to the Raszyn-Laza station. We are to receive the telex exchange and transmitter next year. It was announced in the communications industry that the government has decided to pay 65 percent of the cost of the above-mentioned funds.
- The European Common Market will support Polish telecommunications development from the PHARE fund [assistance granted to Poland by the Group of 24] by designating \$6.3 million for this purpose. In 1993, this money will be used for telecommunications development in the villages and gminas of Krzeszowice, Opalenica, and Sokolow Podlaski.
- The German credit includes contracts with the Siemens AG company. The first of these is worth \$3.3 million. Based on this loan, a telex exchange for Gdansk should be put into operation next year. The second, worth \$10 million, will contribute to Warsaw having an efficient urban exchange in Goclaw (30,000 new numbers next year) and in Saska Kepa (15,000 new subscribers in 1993). With the "German credit" of \$5.7 million, Warsaw should be able to build a telex exchange for 12,000 lines in a year. Not all of the loans that we will probably receive from Germany are "telecommunications" loans. A commercial and other credits are being discussed. Several are to be included in a five-year waiting period. Specific conditions are under negotiation.
- A North-South fiber-optic line connecting Koszalin through Gdansk, Warsaw, Krakow, and Katowice with Czechoslovakia is being financed with a Danish credit (Danish-Polish Telecommunication Group) worth \$26 million. The period of repayment, which is to be made with the returns obtained from the crediting enterprise, is 15 years. This will be realized next year and in 1993.
- Other credits, the details of which it is now too early to discuss, are loans from the governments of Italy, worth \$20 million, Israel, worth \$1.4 million, and the European Bank of Reconstruction and Development [EBOiR], worth \$200 million. The waiting period for the objective scope of these loans and their conditions are under negotiation.

Central Europe Emerging as Drug Route, Market
*92WD0223A Poznan WPROST in Polish No 47,
24 Nov 91 pp 34-35*

[Article by Krzysztof Grabowski: "Colombian Beans: Is Central Europe Becoming a New Drug Market?"]

[Text] The cocaine waited for its customer 11 days at the port. The M/S Polonia, which sails between its home port and South America, sailed into Gdynia on 20 September of this year. Among other things, it was carrying two containers of beans. The shipper was a Colombian firm in Bogota. The recipient was a Czechoslovak firm. The owner's representatives picked up the first container unhampered. When they crossed the border to Gdansk, Interpol sent word that the beans were filled with cocaine. A decision was made to wait for the people coming to pick up the second container. A TIR driven by two Czechoslovak drivers arrived on 1 October 1991. The port container base that day looked like a sawmill.

The information reaching our police suggested that the drugs were concealed in wooden pallets loaded with 10-kilogram packages of beans. They began to break up the pallets at 1100 hours. The first try missed. An atmosphere of nervousness pervaded the police and customs agents. If this was a false alarm there would be considerable financial consequences to bear. They soon breathed a sigh of relief, though. Drugs were found in the 61 other pallets, in grooves concealed in the crosspieces supporting the slats of the pallets and carefully covered with special glue. Each ration of cocaine was packaged in foil and put into an aluminum container. There were 546 of them in all, totaling 109.2 kilograms, the largest quantity of smuggled drugs ever discovered in Poland.

A gram of cocaine has an estimated value of 75-150 German marks [DM] on the European drug market. The "filling" inside the pallets was therefore worth between DM6 million and DM15 million, that is, from 50 to 100 billion zlotys! The beans were also contaminated with cocaine, probably while the drugs were being loaded onto the pallets, so some of the packages from the container's official cargo were also taken for testing.

The investigation is continuing. The two drivers were questioned, but only as witnesses.

District attorney Zbigniew Wyszomirski, who is conducting the investigation, explained that there were no grounds for detaining them. "There is every indication that all the drivers knew was that they would be transporting beans. They were intrigued by the instructions to cross the Polish-Czechoslovak border at a specific transit point on the way back and then right afterwards to telephone the information that they were back. They had

never received such instructions before. They were a clear departure from the usual routine.

There is no doubt as to the success of our police and customs service, but the success is more apparent than real. They intercepted the smuggled goods, but they did not get rid of the smuggling and trafficking network. They did not touch the kingpins. But all this would require what is called "monitored transit," which is allowed by the international convention on drug interdiction. The police know that the drug transport crossed the country's borders, and by using the most modern operational and technical methods, including satellite communications, they can follow its path, to permit the services in the country to apprehend the bosses of the drug mafia rather than the people at the bottom handling the transport. Polish law, however, does not permit monitored transit. The prosecution is obliged to prevent a crime.

"Let such cargo out?" Prosecutor Wyszomirski wonders. "What would happen if it were to reach the intended receiver after it transited at the designated point with the 'cooperation' of the Czechoslovak border control people?"

Czechs were probably not the actual intended receivers of the drugs. Like Poland, Czechoslovakia was merely a link on the southern route leading to the west: to Austria, Italy, Germany, or perhaps to the Netherlands. This is a tried and true method. In each of these countries a shipment from Colombia would be bound to create particular interest. Therefore it makes its way to the recipient by way of intermediaries whom the police do not associate with the drug mafia. This method was used successfully at the beginning of the 1980's, when Polish ships were used to smuggle heroine from the Far East. They sailed from Asia to their home port, and then on the next trip they set sail for Rotterdam. A ship sailing from Poland did not attract the attention of customs agents or the police.

This was probably true this time too. The people from the Prosecutor's Office and the police therefore examined transport documents and questioned the ship's crew, employees of the shipowner, Polish Ocean Lines, and the shipper, a Polish-Czechoslovak company named Spedrapid. The documentation showed that this was the first transport of beans from Colombia to Czechoslovakia. Up until now the beans had been imported from China. Previously, however, this same Colombian firm had sent our southern neighbors two small shipments of rice and sugar. Was it testing the transit channel?

We cannot exclude the possibility that a new drug market has opened up in Central Europe. Just as a new fad for cocaine is being born. Actually, this is an old one coming back, narcotic snuff for inhaling. This time Interpol and the Polish police showed they had a good sense of smell.

AIDS: High Risk Groups, Facilities

92EP00168A Warsaw SLUZBA ZDROWIA in Polish
No 46, 17-23 Nov 91 p 9

[Article by Halina Guzowska: "Take Up the Gauntlet"]

[Text] There are 1,900 HIV carriers officially registered in Poland. On the other hand, 70 persons have been diagnosed with AIDS, and 37 of these have already died. Are these really all the people who are HIV positive? Certainly not, because up until now not everyone in what is called the "high-risk group" has been tested. One thing is certain: The HIV epidemic has already reached Poland, and the present situation is only the first stage of the epidemic. As everywhere else, this stage features infection among homosexuals and drug users. In 5-10 years, this presently "silent" epidemic will manifest itself in a far larger number of AIDS victims. This is when it will become a real threat to all Poles.

Ignorance and lack of knowledge on the part of society will help the epidemic spread. People on the whole know little about AIDS. According to research findings, 70 percent of society thinks that this disease has nothing to do with them. "It doesn't affect me," most of those questioned responded, "because I'm normal. Let those on the fringes of society worry about it, especially the drug users and homosexuals."

On the other hand, World Health Organization [WHO] experts hold a different opinion. For the second time this year they have come to Poland to help draft and carry out a program to combat AIDS. They say that the epidemic got started rather late in Poland, and this is a very important fact. The main people becoming ill at the moment are those in the high-risk group, but the other less visible groups are the most important danger, and this is the place to arrest the development of the epidemic.

What sorts of groups are we talking about? Largely the prostitute community. There are about 12,000 registered in Poland, officially, that is, because there are actually many more, even as many as 180,000, according to estimates. We must reach these women, often very young ones, as soon as possible. Next, their customers too. How? In many countries the public health service and social welfare agencies employ street workers, who make contact right with the street community. They become familiar with the lifestyle and needs and try to be of assistance.

There are no such workers in our country, nor is there the money to train and employ them. Experts from the WHO European Regional Office in Copenhagen also made the special point that we do not have proper technical conditions to combat the AIDS epidemic either, such as modern diagnostic methods, which are facilitating rapid detection of the disease all over the

world. There is not a single center for rapid AIDS diagnosis for tuberculosis patients. It is well-known that this disease indicates the possibility of HIV infection, and in many cases the infection occurs.

The WHO experts were also critical of the level of hygiene in public health facilities. In this situation their words of praise for the current level of care and rehabilitation of AIDS patients do not provide much comfort, especially when the few centers created by the health ministry are being criticized and attacked by most of society.

Money is needed to combat AIDS, and tremendous amounts of it. Countries far richer than ours, such as the United States, are unable to provide the necessary funds. WHO cannot give us much financial assistance, with the exception of program supervision. At the moment they are carrying out in Poland what is called a "short-term" three-year plan to combat AIDS. There are many applicants for such assistants. Romania, Yugoslavia, and the republics of the former Soviet Union are in a worse situation than we are, and there is not enough money. It is only the money that WHO is allocating for Poland, about \$79,000 in two installments, that is to be designated for education (especially among social workers and intermediate medical workers) and prevention (which encompasses high-risk groups across a broader spectrum than in the past, that is, prostitutes, as well as drug users and homosexuals).

According to the WHO experts, the public health campaign should encompass the rest of society as soon as possible, because the disease can strike anyone.

Next in the planning comes the training of all staff working with infected persons, that is, not only health workers, as in the past, but also the police, teachers, and social workers.

The next World AIDS Day is approaching. It will be on 1 December. "We must all join in the effort and take up the gauntlet," says Hiroshi Nakajima, director general of WHO, in announcing the slogan for this year's World AIDS Day. "We must devote our time, resources, and efforts to surmount the danger that is approaching and that is requiring us to work together to combat it. It is only cooperation that will give us the opportunity to overcome the AIDS pandemic."

WHO workshops devoted to combating AIDS will be held in December at the Center for the Continuing Education of Teachers of Secondary Medical Training. The organizers had Polish nurses particularly in mind. In this connection, WHO is financing the printing of a Polish version of a manual entitled "Guidelines for Preventing HIV Infection," which was drawn up by the Regional Office for the Western Pacific and published last year in Manila.

POLITYKA Weekly News Roundup: 10-16 Nov
92EP0102A Warsaw POLITYKA in Polish No 46,
16 Nov 91 p 2

[Excerpts]

National News

[passage omitted]

The president signed the retirement law. He also expressed reservations about its provisions. Signing the law made further work on the law in the form of amendments by the new parliament possible.

The number of unemployed is near 2 million and is more than 10 percent of the labor force. From the end of the second to the end of third quarter, unemployment grew by more than 25 percent (397,000). The data are from the report of the Central Planning Administration.

Claims by prewar owners, KURIER POLSKI reports, have reached 114 trillion zlotys [Z], and if the amounts due to commercial paper issued prior to 1 September 1939 and to bank deposits are included, the sum increases to Z160 trillion. The entire annual budget of the state for 1991 is Z260 trillion. The Committee for the Defense of Private Ownership estimates that about 150,000 properties should be returned to their former owners. They are demanding return in kind or repayment in cash; they do not want capital coupons. The more moderate ones, the KURIER writes, are prepared to accept stock in privatized enterprises. [passage omitted]

The firm Ad Pol, a Polish-British partnership, will build 1,800 covered shelters at city-transit stops in Warsaw over two years. The firm will take over the maintenance of stops and cleaning within 300 meters of the stop. The transaction costs \$7 million.

The Solidarity National Commission has decided that the union will not take part in the government and in a special declaration it protested against describing the government and parliament coalition with the label "Solidarity." During its deliberations, critical voices dominated, in spite of the fact that M. Krzaklewski, chairman of the National Commission, recognized that five percent of the vote in the elections is not a defeat, and in the opinion of many speakers, the proportional election law and the lack of support by the church contributed to the union's loss. By a majority vote, the National Commission rejected a resolution to call the fourth congress this year; those supporting acceleration of the congress chiefly pointed to the large deficit of the National Commission. According to ZYCIE WARSZAWY and unofficial sources, the monthly central deficit and the monthly deficit of TYGODNIK SOLIDARNOSC total about Z200 million. J. Palubicki, the union treasurer, announced that beginning 1 January 1992 he bears no responsibility for the bankruptcy of the union and submitted his resignation. [passage omitted]

The police are conducting an investigation into an attack by a group of hooligans on a bus carrying a basketball team from Israel and some Israeli fans returning to Warsaw after a game in Pruszkow. The bus was stoned, and a few young passengers were lightly wounded. Miron Gordon, Israel's ambassador in Warsaw, witnessed the attack and in an open letter to those raising young people in Poland he writes, among other things: "In the name of humanitarianism, in the name of humanity, in the name of combatting all forms of hate and intolerance, in the name of building a new, better Poland and new good relations between both states and nations, deal with this case!"

In GAZETA WYBORCZA, the press office of the episcopate, represented by Father Henryk Brunek, explained the "election instructions" which ordered the faithful to vote for specific Christian parties. Father Brunek repeated that the episcopate had nothing to do with it. "I am surprised and worried by the unnecessary commotion surrounding this matter. Across the ocean they have just impolitely tried to put a court summons under the primate's arm and on this side of the ocean, some mass media, especially in Poland, are trying to put under his other arm something that is neither written by him nor by any of the Polish bishops. I consider it impolite, too." Father Brunek added: "The affair must also be examined in the context of the confusing election law, which caused people to lose their orientation with regard for whom to vote. The opinion of the priests could be in many cases very helpful. I would even say it was appropriate if one takes into account the opinion of the Holy Scriptures that "a priest is taken from the people and is established for the people."

GLOS KOSZALINSKI-GLOS SLUPSKI is the title of an independent daily paper. It was formed by journalists who collectively left GLOS POMORZA in protest against the practices of its owner—local private enterprises.

Who's News

Our long-time editorial colleague, Deputy Dobrochna Kedzierska, has become the editor in chief of GLOB 24, replacing Prof. Jerzy Bralczyk, who, as the deputy president of the partnership publishing the daily said, "did not want to resign from academic work and overestimated his strength." We would like to recall that the following editors in chief all came from POLITYKA: daily RZECZPOSPOLITA, Dariusz Fikus; the daily GAZETA BANKOWA, Andrzej Krzysztof Wroblewski; the weekly SPOTKANIA, Maciej Ilowiecki; the weekly NIE, Jerzy Urban; WIEDZA I ZYCIE, Jan Ruranski. [passage omitted] On Friday, the president named Prof. Lech Falandysz secretary of state and Dr. Andrzej Zakrzewski under secretary of state, both in the president's chancellery. Prof. Falandysz will direct the work of the secretariat of the National Council of the Courts, the complaints and letter section, and the press office of the chancellery. Dr. Zakrzewski will be head of the president's political service. [passage omitted]

Opinions

[passage omitted]

Zbigniew Bujak, leader of the Democratic-Social Movement (RD-S):*Interviewed by Jacek Dabrowski (KUJAWY I POMORZE, 6 November)*

[Bujak] Poles, I think, have a very peculiar instinct that permits them to realize in time who has what cards in a particular hand. And perhaps as a result of this there are voices being heard with increasing frequency on the subject of the excessive clericalization of public life in Poland. The mentioned construction "a good Pole, a good Catholic" either amuses people or irritates them, but it has no real chance for social legitimization.

Andrzej Szczypiorski, writer:*Interviewed by Tadeusz Deputala (GLOS POMORZA, 2-3 November)*

[Szczypiorski] That the elite is getting kicked? The intelligentsia is for kicking. And it is also for saving society.... Polish workers were told that they are the demiurges of history. And just why are they to be more important than I? The peasants are convinced that they "feed and defend." And who in Europe is buying Polish butter?! We are living in myths.

Wladyslaw Frasyniuk, deputy chairman of the Democratic Union (UD):*(PRZEGLAD KONINSKI, 10 November)*

I observe the church today with great amazement, without knowing fully what has happened to it or why it is increasingly a political institution. I talked with the primate; he is opposed to this politicization.

POLITYKA Weekly News Roundup: 17-23 Nov*92EP0102B Warsaw POLITYKA in Polish No 47, 23 Nov 91 p 2*

[Excerpts]

National News

[passage omitted]

The average monthly wages according to the most recent report from the Central Office of Statistics: in the third quarter, in the national economy 1,778,589 zlotys [Z], and in the material production sphere (excluding profit sharing), Z1,781,564. In October 1991, the average monthly wage in the six basic sectors of material production, excluding profit sharing, was Z1,986,927 and was 7.8 percent higher than in September. During the same period, the prices of goods and services increased 3.2 percent.

Professor Ewa Letowska, ombudsman for citizens' rights, at her last press conference: "I will not take any state position. I am interested in law; I do not, however, like

politics. I am returning to the Institute of Legal Sciences of the Polish Academy of Sciences, from which I received a leave of absence for four years, i.e., for the period ending 18 November 1991." Prof. Letowska will continue to serve as ombudsman until a new one is named.

On his return from Brussels, speaking of the prospects for a pact of association for Poland with the EEC, Minister Krzysztof Skubiszewski said that it is favorable to Poland, but the point is to develop a coherent program for agriculture from it. "We accept the limitations which exist, although we gained more than one thing as regards the export of lamb, beef, and live cattle. We wanted, however, for Western markets to be more widely open for Polish vegetables and fruits. Today the minister of foreign affairs must deal with beef and lamb. Until now we thought that was the domain of the butcher." [passage omitted]

Prof. Ewa Letowska, ombudsman for citizens' rights, asked the Constitutional Tribunal to explain whether in light of the current legal provisions property confiscated by the partition governments can be returned to the church. Prof. Letowska takes the position that the law of 17 May 1989 on church and state relations provides grounds only for the return of property taken by the officials of the Polish People's Republic [PRL]. The immediate cause for the application is the dispute which has lasted for nearly two years between the Roman Catholic parish of the Holy Cross in Warsaw and Warsaw University regarding the buildings at one and three Krakowskie Przedmiescie. They were taken by the czarist authorities; during the uprising they were completely destroyed and after the war were rebuilt by the state and given to the University. The priests are demanding the return of both buildings.

The officers of the Social Democracy of the Republic of Poland [SdRP] have familiarized themselves with information on the subject of contacts between the party and the CPSU. From the findings so far, it is clear, the communique from the joint session of the Presidium of the Main Council and the Central Executive Committee says, that the Social Democracy received no material aid from the CPSU nor from any other foreign source. In accord with the law on political parties the Social Democracy of the Republic of Poland attempted to develop economic activities through specialized economic objects.

KULTURA, based in Paris, has published data on American funds transferred to Solidarity (\$2,879,250 between 1 October 1989 and 30 September 1990). TRYBUNA reprinted the data. In response, a spokesman for the Solidarity National Commission explained that all American subsidies reached the union through the main offices of the AFL-CIO and are transferred in a way that does not violate the convertible-currency law. The dollar-denominated subsidies are for specific tasks, among others, training and legal advice. The funds not used are returned to the donor. [passage omitted]

According to police, the Officer's House of the Soviet military in Legnica was set afire by a Soviet citizen, a

26-year-old resident of Tashkent, who was seeking political asylum. The losses amount to more than Z1 billion. [passage omitted]

The General Savings Bank [PKO] raised the interest rates on savings accounts. For example for a three-month time deposit to 30 percent from 27 percent. [passage omitted]

Opinions

Jerzy Waldorff:

(Comment during program "Radio for You," 18 November)

"I am very desperate; I feel depressed and ill, when I see how today's politicians fight for their own prime minister, their own portfolios in the government, for I am old and well remember what happened in the Sejm before 1926: The same mugs full of the fatherland and high ideals, and in their cold, sharp eyes, the same well-known desire for power, position, influence, money. But at the beginning of the Second Republic, no one thought to organize a Beer Party, for which today some large sums of money must have gone from a hostile hole in order to ridicule the entire election, to reduce it to the level of a cabaret to frighten away the more serious voters.

"Then 'Sejm rule' gave birth to the dictatorship of the marshal, and then came several others so damaging to Poland that no one today would think of dictatorship, perhaps least of all President Walesa, who so naively trusts that he will succeed in building a lasting, sensible democracy in Poland. I also am for democracy, but we are also Catholics and we share faith in experience and in the tested traditions of the church.

"But even in the last century, the practice was that if the cardinals called to a conclave for too long could not agree on the election of a pope they were locked in the conclave hall and not given food until they agreed. That maneuver marvelously facilitated consensus among the cardinals.

"It seems to me, Mr. President, that without damage to democracy, and following the indications of our Mother-Church, a similar practice should be used on the Sejm deliberations in Poland: If the parliament delays too long in adopting a new, sensible Constitution and a new election law, which would limit in advance the number of parties to three or four—left, center, right—then you should have the deputies locked in and refuse them food until they adopt the basic law so necessary for the continued existence of the state.

"At most two toilets, one for the women and one for the men, could be installed, best directly under the marshal's balcony. And then just wait."

POLITYKA Weekly News Roundup: 24-30 Nov

92EP0123A Warsaw POLITYKA in Polish No 48,
30 Nov 91 p 2

[Excerpts]

National News

[passage omitted] The Sejm and the Senate held their first meetings. President Lech Walesa participated in both and delivered speeches. The Sejm elected its marshal, Wieslaw Chrzanowski of the Christian National Union (ZChN). He received 267 votes and his opponents Olga Krzyzanowski of the Democratic Union (UD) and Jozef Zych of the Polish Peasant Party (PSL) received 129 and 62 votes respectively. The Chamber decided to increase the number of deputy marshals to five. There were three of them in the tenth Sejm, although the rules called for four. The deputy marshals are Jozef Zych of the Polish Peasant Party (PSL), Jacek Kurczewski of the Liberal-Democratic Congress (KL-D), Henryk Bak of the Popular Accord (PL), Andrzej Kern of the Center Accord (PC), and Dariusz Wojcik of the Confederation for an Independent Poland (KPN). The losers were Aleksander Malachowski of Labor Solidarity, Wlodzimierz Cimoszewicz of the Alliance of the Democratic Left (SLD), and Adam Halber of the Polish Party of the Friends of Beer (PPPP). August Chelchowski of Solidarity was elected Senate Marshal.

The premier has named Janusz Zaorski (age 44), film director and actor, head of the Committee for Radio and Television.

Marian Podkowinski, chairman of the Social Democracy of the Republic of Poland, has put forward an initiative: "Regardless of the mutual resentment and prejudices to sit down at a joint table and consider the future of the journalists and the media." The subject of the talks would be in particular:

- a) the system of employment and remuneration for journalists;
- b) the institutional forms for guaranteeing impartial, objective media;
- c) the place of publishers and journalists in preparing the distribution system for the press;
- d) the system of objective press market studies;
- e) the problem of the community deriving from the retirement and personal tax laws. [passage omitted]

From a survey done by the Center For Research on Public Opinion: asked about the influence of the Church on the voting, 71 percent responded that their church encouraged participation in the election; but in response to a question whether they had been advised how to vote 29 percent said yes, 71 percent said no. Only 3 percent of the respondents declared that the suggestions of the priests had a decisive influence on their vote, 9 percent said they took it into consideration, 53 percent did not consider the church advice.

From a survey by the Public Opinion Research Center: on the changes in 1989-91. Only 9 percent said that things had changed much for the better, 39 percent said

they had changed somewhat for the better, 13 percent somewhat for the worse, 22 percent much for the worse. Every ninth respondent (11 percent) said that nothing had changed. Residents of rural areas, people with the lowest educations, and those worst off materially judged the changes most negatively. Of the respondents, 71 percent think that the price society has paid for the changes has been too high, 27 percent that the price was what it should be, 60 percent of the respondents said that the situation in Poland is developing in the wrong direction (from a study of 10-13 October 1991). They were also asked about a judgment for the periods in office of the prime ministers T. Mazowiecki, J.K. Bielecki, and M.F. Rakowski. Asked when they lived best, people with a leftist orientation pointed to Rakowski (40 percent), Mazowiecki (36 percent), and Bielecki (23 percent). Those with a centrist orientation gave in order: Rakowski and Mazowiecki (28 percent each), Bielecki (9 percent). Those of a rightist orientation pointed to Mazowiecki (31 percent), Rakowski (20 percent), and Bielecki (19 percent).

The Polish Ministry of Foreign Affairs has given the Soviet ambassador in Warsaw a sharp protest against the actions of the Soviet police who beat Polish tourists at the Medyka-Sheginy border crossing. Tomasz Lis of the Ministry of Foreign Affairs told journalists: "The situation at the crossing in Sheginy is very tense. The Ministry of Foreign Affairs fears that a repetition of the situation, in which Soviet forces, regardless of whether they are actually provoked or not, use firearms and take revenge on women and children, can lead to a tragedy."

New principles for paying for medicines have gone into effect. Nearly all the privileges and subsidies (except those for war and military invalids and volunteer blood donors) have been eliminated. Medicines have been divided into three groups: basic ones to save lives and essential in treatment, their price is set at a flat rate of Z3,200 a package; supplementary ones, which help the action of the basic ones; and expensive preparations of the newest generation, which will be sold with a 70-percent discount. The other medicines and sanitary

articles will carry a full price. (RZECZPOSPOLITA for the 23-24 November 1991 carries an extensive report.) [passage omitted]

Opinions

[passage omitted]

Bohdan Furnal, employee of the National Museum in Kielce:

(*SLOWO LUDU*, 18 November)

"That the residents of Kielce are not anti-Semites and nationalists was shown by the recent elections, in which parties whose chief election program was the fight against 'Judaism' lost completely. The troublemakers work on the opinion in the city, but it is normal that evil is more active and visible."

[passage omitted]

Andrzej Micewski, journalist:

(*WPROST*, 17 November)

"Poland should have a normal parliamentary democracy. The strong office of the president should represent the state and coordinate its functions, and not govern. The President's Chancellory cannot double the government agencies and should employ a few dozen, and not two hundred some odd people. I do not know why there are ministers there since we have them in the government. The current president is following more the model of Gen. Jaruzelski than of Moscicki."

Krzysztof Kaminski, lawyer, deputy of the Confederation for an Independent Poland (KPN):

(*GAZETA WYBORCZA*, 22 November)

"It is necessary to create informal police structures in the economy, in the banking system, in the administration, in other words, to rebuild, in the good sense of the word, a network of informers."

State Department Human Rights Report Discussed

92BA0234A Bucharest ROMANIA LIBERA
in Romanian 22, 28 Nov, 1 Dec 91

[Article by Daniel Uncu: "Human Rights in Romania as Seen by U.S. State Department"]

[22 Nov pp 1, 8]

[Text] The U.S. State Department's report on the state of human rights in Romania begins with sentences we consider significant: "Ion Iliescu and the National Salvation Front, transformed into a political party based on former members of the Communist Party, won the elections on 20 May 1990 by a mass vote of the electorate, who were given the opportunity of free elections during which no visible methods of influencing or coercing the vote were observed. Nevertheless, irregularities and deviations in the electoral process cast a pall on its performance, a performance that improperly favored the FSN [National Salvation Front] at the expense of the other competitors."

The report is supplemented by "A Critique of the Report" compiled by the Committee of Lawyers for Human Rights concerned with writing analyses on human rights for the U.S. State Department in 49 countries. This critique also begins with the following words: "The report (presented by the State Department—editor's note) makes no reference to the growing climate of fear and suspicion that persists in Romania and is undermining the activity of a broad segment of the population. This situation is due to the climate created by the former Securitate and it has been maintained by the governmental decisions and the government's deficiencies in 1990."

I found it instructive to compare the two introductions in order to make a parallel analysis of the American viewpoints which, as a matter of fact, are essentially quite close.

And so let us assemble, chronologically and comparatively, the opinions expressed in the two documents.

Events in June 1990

The report states unequivocally that on 13 June the law enforcement bodies intervened with force to disperse the peaceful demonstrators in University Square who were protesting "against the continued presence of former Communist high officials in the governmental structures." As a result of the police action against the demonstrators, they reacted violently and attacked the police stations and TV headquarters.

President Iliescu is identified as the person who appealed by radio and TV to the citizens of Romania to come to the defense of the government institutions. Moreover, the critique of the report mentions that the demonstrators' violent actions should have alerted the authorities, but it seems that the Bucharest Police Station and the

headquarters of the Ministry of Interior were left unprotected, in addition to the significant fact that the firemen and the Army were inactive at the time of the attack on 13 June. "Of course, it is difficult to draw telling conclusions about the government's involvement in these events." (...) President Iliescu's appeal is called "incendiary," and it is noted that on the morning of 14 June President Iliescu addressed the miners and asked them "to proceed in a column along the boulevard to University Square to occupy it permanently." It is also mentioned—a detail that came out of the report—that Mr. Iliescu thanked the miners on 15 June "for all they did in the last few days."

It is interesting to note that as contrasted with the report compiled by the U.S. State Department, the critique of it stresses the fact that the miners obtained the home and office addresses of the leaders of the opposition, which suggests actual collaboration between the miners and the authorities. As a conclusion, the critique says, "Since it does not bring out such facts in connection with the events of 13-15 June, the report does not raise questions that could be main points in understanding the Romanian Government's attitude toward the basic human rights and freedoms. The report leaves the impression that such questions do not exist, conveying an insufficiently clear picture of the seriousness of the conditions that are undermining personal security in Romania."

Freedom of Expression and Freedom of the Press

The main idea that emerges is to the general effect that freedom of the press is observed, but the exceptions to the rule are significant. Censorship was abolished as a rule for state newspapers, and the law prohibiting "propaganda against the socialist order" was repealed in January 1990. The government does not place restrictions on licenses for new publications, and dozens of new dailies have appeared since December 1989, as the report points out. From its point of view, censorship takes other forms, including manipulation of paper and printing possibilities to the disadvantage of the opposition press. During and after the elections on 20 May the fact was noted that the authorities were accused of involvement in faulty distribution of independent and opposition newspapers beyond Bucharest. In addition, the document compiled by the Committee of Lawyers for Human Rights points out that the distribution of newspapers is controlled by the Administration of Posts, which in turn is controlled by the government. Moreover, "While the independent and opposition newspapers are faced with these difficulties, those supporting the FSN have no problems of any kind." Furthermore, the attack on the opposition press during the events in June did not result in criminal prosecution and trial of the guilty persons, "demonstrating beyond a shadow of a doubt the government's failure to provide the conditions essential to the existence of any real freedom of the press."

Romanian Radio-TV is given a telling treatment, pointing out that in general and in particular during the

events in Tirgu Mures and Bucharest in June 1990 it presented the government's view of events.

On the whole, the two official documents criticize the state of human rights in Romania objectively. However, the omissions, intentional or not, of the State Department report are supplemented by the acuity and significance of the arguments and information contributed by the Committee of American Lawyers. What I have presented so far is only a small part of the interesting document received by the editorial board. Yet there is a puzzle. Why didn't the U.S. State Department take all the factors into consideration that determine the state of human rights in Romania, since there is a need of the said committee's critical report? We shall see....

[28 Nov pp 1, 8]

[Text] We are continuing the presentation in parallel of the documents on human rights in Romania compiled by the U.S. State Department and the Committee of Lawyers respectively. Today we will discuss a few other subjects of interest.

Torture and Other Inhuman or Degrading Treatment

As it appears from the State Department report, during the events of 13-15 June 1990 groups of miners violently beat many persons and over 1,000 were temporarily detained. "There were credible reports that some of those arrested were beaten and were refused medical treatment at the time of the arrest. There were also statements to the effect that the arrested women were forced to partially undress in front of the guards and the male prisoners, in addition to a statement according to which the progovernment demonstrators even committed a rape." The report goes on to point out that some steps were taken to eradicate torture and other degrading punishments that characterized the Ceausescu regime. The Romanian Parliament accordingly ratified the UN Convention Against Torture, and many changes in the Code of Criminal Procedure were discussed, such as introduction of the right to notify the family or friends within 24 hours in case of an arrest, the right to have a lawyer appointed by the judge, limitation of the period of detention before a court appearance, and the right to be released on bail except for repeat offenders and those who have committed very serious crimes.

Freedom of Association

On this subject the viewpoints of the report and the critique differ somewhat. The critique brings out that the State Department report correctly points out that "With the exception of the events in June, the right of association has been respected," but the use of the miners and workers against the peaceful demonstrators in January 1990 illustrates the lack of respect for peaceful assemblies as well as bad faith in providing protection for the Hungarian ethnic demonstrators during the events in March 1990 in Tirgu Mures. Furthermore the critique states in agreement with the report that "The citizens are free to associate and form political parties," which

conflicts with the realities of the abuses committed against political rights. For example, it mentions the fact that members of the Army were refused the right of association when the government prohibited the Action Committee To Democratize the Army (CADA). Moreover, the report does not mention the electoral campaign for the elections on 20 May, during which the headquarters of the PNL [National Liberal Party] and PNT-cd [National Peasant Christian Democratic Party] were attacked in at least eight municipalities and six municipalities respectively, along with the homes of the party leaders, which were attacked in at least two cities. "These examples, in addition to the violent attacks upon the headquarters of the political parties on 28-29 January, 18-19 February and 14-15 June, make the citizens' right to found influential political parties questionable (...)"

Freedom of Movement

"There are no official restrictions on travel within Romania with the exception of a limited area where restrictions were imposed for military purposes." The right to travel abroad is no longer refused. In 1990 the government authorized 3,635,369 tourist passports, four times more than the number issued in 1989. But it is noted that King Michael, who had to go into exile in 1947, was not allowed to enter the country in April 1990 and was then expelled by the authorities in December of the same year, about 12 hours after he had entered the country. But as the document compiled by the Committee of Lawyers points out, the State Department report has nothing to say about the controversy that arose concerning the legality of the king's entry or of the authorities' refusal to grant an entry visa. The report fails to note that there were popular demonstrations after every action like those mentioned above or that a part of the opposition requested organization of a referendum to pronounce on restoration of the constitutional monarchy in Romania. As a conclusion, the critique compiled by the Committee of Lawyers stipulates that "By omitting this information, the report fails to identify the effect of the government's actions, to which we have referred, in connection with freedom of expression and freedom of association." It goes on to mention Article 25 of the Law on Citizenship ratified in December 1990 which specifies among other things that the Romanian citizenship of a person abroad can be revoked if he "commits serious acts prejudicing the interests of the Romania state or impairs Romania's prestige." In the opinion of the Committee of Lawyers, this law could lead to arbitrary revocation of citizenship because of the ambiguous way in which it is written, which conflicts with Article 15 of the Universal Declaration on Human Rights.

We stop here for the time being, upon mentioning again the more or less important contradictions between the two American documents. We are returning to the question we raised last week: Was the U.S. State Department report based on information collected on the spot or solely on the picture sent to Washington by the former U.S. ambassador to Romania...?

In the next installment we will analyze the way in which the Romanian Constitution, or rather some of its provisions, were commented upon in the two documents.

[1 Dec p 8]

[Text] In this final installment we will take up some constitutional provisions as they are commented upon in the two official documents compiled by the U.S. State Department and the Committee of Lawyers for Human Rights.

It is noteworthy that the State Department report makes no mention of Romania's draft constitution. It is true that analysis of the laws on human rights in Romania implicitly involves the question of the constitutional theses, but the critique of the report clearly states that "It is disconcerting that no mention of the draft constitution is made (in the report—our note). This raises serious questions concerning a minimum of guarantees of freedom of expression among other things. Many constitutional provisions could have had effects upon the basic human rights and freedoms." This refers to the fact that no less than nine articles of the Constitution are aimed at states of necessity and emergency. The constitutional provision permitting departures from the right of free movement of persons "in extreme cases of disaster," as well as departures from noninterference in the private lives of persons are only a few of the instances where the Romanian Constitution does not observe the obligations specified in Article 4 of the International Convention on Political and Civil Rights.

At the same time the critique of the report points out that the draft constitution contains a large number of provisions protecting the basic human rights, but there are many attenuations of those provisions because the formula by which they are to be applied "in conformity with the law" is added at the same time. Those formulas open up possibilities of restriction of the rights and freedoms from the start and accordingly undermine the status of the constitutional guarantees.

We would not have expected a succinct analysis of the Constitution in either one of the two documents. Clearly such a task would have required a separate document. And yet it is interesting to note that the U.S. State Department report undertakes to analyze the state of human rights in Romania with no reference to the basic law of the land, which should guarantee those rights clearly and unequivocally.

However that may be, both the report and the critique point out violations of human rights in Romania in spite of the clear advances that have been made in that direction. We hope that the State Department's next document on this subject will not need another critique to amend its conclusions, for the only reason that the state of human rights in Romania is still an unanswered question.

PSDT Chief Criticizes Stolojan, Eyes Presidency

92BA0254A Bucharest *DIMINEATA* in Romanian
6 Dec 91 pp 2-3

[Interview with Lucian Cornescu, chairman of the Traditional Romanian Social Democratic Party, by Ionel Dumitru; place and date not given: "I Live Well and Support My Party Financially"]

[Text] [Dumitru] Mr. Chairman, you are both a businessman and the leader of a party. How do these two concerns reconcile?

[Cornescu] These are two completely different areas that I try very carefully not to mix together. My life as a businessman allows me to live well and to give financial support to my party. The party activities are aimed at helping others live well too. My idea is that politics is a lever to be used by the economy.

[Dumitru] Don't the personal interests become confused with party interests?

[Cornescu] In a way, things may seem mixed up. It is, however, simple. The richer the country becomes, the greater my earnings as a businessman. My purpose as a politician is that the country should be rich, so that I can earn money as an economist.

[Dumitru] What were the reasons for the ousting of former PSDT [Traditional Romanian Social Democratic Party] secretary Mr. Mircea Stanescu from the party?

[Cornescu] The situation is similar to that of the French cyclist Poulidor, who was greatly loved in France. He entered all possible races, but he always came in second. His whole life he was number two. Poulidor's ambition was to come in first at least once. And he succeeded. That was a positive, active ambition. Mircea Stanescu was also, politically speaking, a number two, whereas his ambition was to be number one. That, however, was not a positive ambition.

[Dumitru] The current transition period often looks like chaos. How do you perceive it?

[Cornescu] The word chaos is correct. In the past 20 years Romania's economy was calculated to have a center of profit somewhere. It was conceived like a very large yard, parts of which seemed to be losing, while overall some profit was made in the end. Now, having moved to a market economy, we have broken that chain, seeking to create a multitude of centers of profit. It is very difficult to make a profit on each parcel separately. If, for example, a dinosaur like the Tractorul plant in Brasov is divided into seven parts, each one of which adds on a 10-percent trade margin, the end result is a ridiculous price that cannot sell. The same applies to our entire economy. In the coming few months this situation will create a concept that I can already sense. People will say: Capitalism is no good, bolshevik communism is not the solution, but perhaps the Chinese kind. I sense that such a political shift will be attempted.

[Dumitru] It is often said that the Stolojan government has no time to build, merely to fix up some things. Do you think that this statement is correct?

[Cornescu] I am bothered by the collocation of the Stolojan government. I would rather call it the third Roman government. I'm saying that because there was a government before the elections, one after 20 May, and now this one. It is very difficult to speak of a Stolojan government as long as the majority of the government ministers are either the same or coming from the same corner. It is true that Mr. Stolojan has assumed the responsibility for handling the current government, but it is difficult to handle a cart if you're not holding the reins.

[Dumitru] Do you view the 8 December 1991 referendum as necessary?

[Cornescu] Any democracy must have a constitution. So people have to vote for democracy in Romania.

[Dumitru] The present Constitution was criticized on many counts. Let's dwell on two of them: the absence of a paragraph sanctioning the separation of powers in the state and the prerogatives of the president.

[Cornescu] I will comment on the latter. The constitutional system conceived resembles the French system. We conceived a system equivalent to that of the fifth French republic. It does not matter that the president's power is lesser or greater. What matters is how he uses it. On the other hand, we are the ones who will vote in the next presidents. If we vote wrong, the fault is ours. A competent president will not wield the Constitution as a negative weapon.

[Dumitru] Do you intend to enter your candidacy in the general presidential elections?

[Cornescu] I will run in the general election. I don't proceed from the idea that I will win, but it's good that there should be an alternative. Our way of thinking can be summed up in the slogan: "They talk, we act." All these matters will be discussed at the party congress, which is scheduled for 6-7 December.

[Dumitru] Do you think that we have come to a situation in which the voter is unmotivated and may fail to show up at the ballot?

[Cornescu] I think that is a deliberate policy. The impression that's been created is that it's the same thing whether the individual votes or not. The consequences of that are enormous. If the Democratic Left Union has 20 percent of the electorate, but only 40 percent of them show up to vote, what does it do? The other 60 percent who are not voting will realize far too late that by not voting, they voted for a party they didn't want. What will they then do? Cry for four years? The electorate must go out to vote!

[Dumitru] What are the country's chances of economic recovery? What prospects does Romania have, from your viewpoint?

[Cornescu] The chances were and still are very great. It's a pity about the delay. Each day will cost us dearly. Within two to three years we can get up on our feet, but only by means of a stringent concept and only if each individual works intensively. The government and the office of the president are dutybound to provide people with the levers that will allow them to earn money. Because we're talking about each person's work and home and about the life of our fellow men.

Minister Explains Objections to Constitution

92BA0254B Bucharest ROMANIA LIBERA
in Romanian 7-8 Dec 91 pp 1, 3

[Interview with Justice Minister Mircea Ionescu-Quintus by Florin Gabriel Marculescu; place and date not given: "The Judiciary in Search of Its Lost Prestige"—first paragraph is ROMANIA LIBERA introduction]

[Text] Mr. Mircea Ionescu-Quintus: Son of the well-known parliamentary lawyer and author of epigrams Ion Ionescu-Quintus (1876-1933); born 18 March 1917; graduate of the Bucharest Law School (1938), served as a lawyer with the Prahova Bar; war veteran and political detainee; member of the PNL [National Liberal Party] since 1945 and deputy chairman of the same party since 1990; deputy and vice president of the Chamber of Deputies; member of the Writers Union of Romania—those are the main biographical data of the man who currently holds the justice portfolio.

[Marculescu] Minister, the first question concerns your very presence at the head of that ministry. Petre Roman stated several times that there are three ministries the Front will never give up, and the Ministry of Justice was one of them, next to the National Defense and the Interior. How do you explain this lapse on the part of the national [Front] leader?

[Ionescu-Quintus] I'm aware of those conditions. In fact, there were also the PNL counter-conditions. We said we were willing to cooperate, willing to join the Stolojan cabinet, on several conditions. First, that there should be a politically disengaged prime minister and, after one and one-half months of cooperation, I can say that Mr. Stolojan does meet that condition. In short, a disengaged prime minister, and the Ministries of Justice, Economy, and Commerce and Tourism; or state secretaries at the Local Public Administration and the Foreign Ministry. Our requests were turned down at the first stage of discussions and thus, in fact, the very possibility of cooperation was out. At the last moment, much to the surprise of the negotiators, we were offered those ministries minus the Ministry of Commerce. That was a concession on the part of the Front, which absolutely needed our party's cooperation.

[Marculescu] Ho do you reconcile your status as a parliament member [MP] with your present position? I'm referring to the fact that the incompatibility of the two functions has disappeared from the Chamber's internal regulations, albeit not from the law on the organization and operation of the government.

[Ionescu-Quintus] In fact, this situation is regulated by three legal provisions: the law on the organization of the government, the regulations of the Chamber of Deputies which have the status of a law, and finally the Constitution.

[Marculescu] A constitution that is not yet in force....

[Ionescu-Quintus] Of course. But between the two applicable provisions, naturally the one that is in line with the Constitution carries greater weight. And from that viewpoint, I believe that members of the government are not incompatible with the position and mandate of an MP.

[Marculescu] At the time of your appointment the Constitution was still far from being adopted, so I think we should naturally leave it out of the discussion. The question remains: Which of the two laws should prevail, the Chamber regulations, or the law on the organization of the government?

[Ionescu-Quintus] Subjectively I would say the regulations, and I think it is only normal that I should obey the regulations of the Chamber to which I belong. Thus, by virtue of that regulation I kept my seat and exercised it without any hiatus.

[Marculescu] It has been more than one month since you took over the "Babiuc legacy." Do you find it difficult? Is it causing you problems?

[Ionescu-Quintus] It's been only one and one-half months since I took over the "Babiuc legacy" without any inventory list. It is true that many things were done during his term in office; the purging operation of the judicial apparatus was almost completed. With one exception: that of the Alba court president, whom I replaced. All the other prerevolutionary court presidents and judges had already been replaced. Which means that Mr. Babiuc had the most difficult job. From that point of view my legacy was rather acceptable, although I still have a whole string of investigations to conduct and then some decisions to make, meaning to establish the politically discredited persons, those who served the former regime devotedly and humbly. I hope that such cases did not exist in the judicial apparatus itself, which I haven't even had the time to consider. I want to assure all the judges that they need not fear my presence at the head of the ministry. I did not come with thoughts of revenge or of dismantling the old judiciary apparatus, because for their great majority they were good judges and did their duty as well as they could. But where I will find incompatible situations I will, of course, examine them in conjunction with the Ministry leadership, each case for itself. But one thing I view as almost dramatic for the mission I have taken upon myself is that assuming I will

find a number of magistrates who no longer have the moral authority to serve in their position, I have no replacements for them. In other words, if I had to replace 20 judges in the country, I don't have any to put in their place. At present we have an exodus from the magistracy to the practice of law or to other, perhaps less responsible and more profitable occupations. At a recent meeting of justice ministers in Bonn I found out that Hungary has 2,000 judges for a population of about 8 million, whereas we have less than 1,500 for a population of about 23 million. The number is totally inadequate. That does not mean that we won't take the due steps where necessary, although we cannot leave the courts without judges. On the other hand, we found several people in the Ministry leadership who could not keep their powers because of their past positions.

[Marculescu] Would you be referring to, for example, Dumitru Apostoiu, the former presidential secretary?

[Ionescu-Quintus] Exactly, but also Mr. Bracaciu and Mr. Canacheu. But we were really considerate toward them and they were transferred to other posts in the judiciary.

[Marculescu] What's happening with the law on the organization of the judiciary? As far as I know, it was discussed in the Chamber of Deputies, but then it became bogged down in the Senate.... At the same time, please comment on the constitutional provisions applicable to the judiciary power.

[Ionescu-Quintus] Indeed, the draft bill is bogged down in the Senate. The Chamber passed it with good amendments. It was very difficult to finalize this law before the texts of the Constitution were final. I have been told that this law, which is absolutely necessary, will soon be included on the Senate agenda; I will participate in its discussion, this time as minister of justice. As for the Constitution, it has a number of very good provisions that will serve as the basis for the future organization law. At the same time I have to express my disappointment that one of the amendments on which I was very keen failed to be accepted; it concerned Paragraph 2 of Article 123. The text that was left in reads as follows: "The judges are independent and are bound only by the law." No objection there. I, however, had suggested adding to the end of that paragraph the words, "and by their inner convictions." Unfortunately, the amendment rallied only 99 votes. I hope during the Senate discussions to be able to convince my colleagues that this idea is absolutely necessary to restore the prestige of the judiciary. The act of justice must be governed by both the law and the conscience of the judge. Anything else is inconceivable. After all, we're talking about the moral responsibility of the judge. A judge is not a robot. The law is cold, harsh, and inflexible; its value cannot be transposed into the act of justice if it is not filtered through the conscience and inner convictions of the judge. People must regain their faith in the judiciary. That is the only way in which we can resolve the serious moral crisis we are experiencing.

[Marculescu] How independent is the judiciary since it has been deprived of the basic right of deciding on the constitutionality of the laws?

[Ionescu-Quintus] That is one of the reasons for which I voted against a constitution that I nevertheless view as very close to my heart. The existence of the Constitutional Court impairs the authority of the judiciary and appears as another power in the state, but it will not in any way affect the judges' independence of action.

[Marculescu] What are the other reasons?

[Ionescu-Quintus] In fact, they're those expressed by the great majority of the people who voted against the Constitution. But that does not mean that everyone toed the line in my party; everyone was allowed to vote according to their conscience. There are several reasons, beginning with the form of government, which has not been sufficiently filtered by a preceding, rather than a subsequent referendum. I'm not saying that I am a monarchist or a republican. I haven't yet thought deeply enough how I would have answered the question. I can say that the first time I was arrested it was in the promonarchist demonstrations of 8 November 1945, and that is something I cannot forget. But having accepted the republic as the form of government, as were the wishes of the majority, we could have chosen among three forms of republic: presidential, semipresidential, and parliamentary. After the experience of decades of dictatorship—the harshest and most violent of all the East European countries—we have a right to take safety precautions to preclude falling into anything of that sort. The only form of republic that I would have accepted—we abstained from the vote on the text concerning the form of government—was the parliamentary republic, which offers an additional guarantee that the powers that might accrue to a single person will always remain under parliamentary control. But people didn't want that. They wanted a semipresidential republic with more powers than the president of such a state should have. We continually looked to France as our example.

[Marculescu] But by now even France is no longer happy with that formula....

[Ionescu-Quintus] Precisely. Serious dissatisfaction is being expressed in France, but we cannot compare with France's degree of democracy. Consequently, the republic was another reason for which I voted against the Constitution. I will also add the provision in the final Constitution which makes it impossible to revise several of its important issues. We have nothing against not revising matters such as the united, national, independent, and indivisible nature of the Romanian state, the independence of the judiciary system, political pluralism, the official language, etc. Very well, those things cannot be revised. But the republican form of government, which was the subject of so much arguing and is still arguable, should not have been included among the issues not given to revision. From my point of view, that was the decisive reason. We are obligated to a certain

form of government for a long period of time without having first had a referendum on it.

[Marculescu] What can you tell us about the trial of communism?

[Ionescu-Quintus] Speaking of trial and communism in the same breath means almost nothing to me. From a legal viewpoint, it is inconceivable. We can talk about putting some guilty persons on trial who, shielded by their posts under the communist regime or even abusing them, committed flagrant violations of the law, thereby causing loss of lives, not to mention so much suffering.

[Marculescu] Can we name names? Draghici, Nicolschi....

[Ionescu-Quintus] "De mortuis nil nisi bene" (Speak no evil of the dead)—it seems that Draghici has died, or so I was recently informed. Nicolschi is alive. Since you mentioned those two names, I think it can be very easy to open a trial of the [Danube] Canal, the most typical act of abuse and crime. In a single night, on 15 August 1952, 10,000 people were sent to the Canal simply for having belonged to certain political parties. I was one of them. I was very young and I survived, but many of them did not come back.

[Marculescu] Are the guilty ones still alive?

[Ionescu-Quintus] Yes, and the trial can be easily opened because it is not conceivable that so many people should have been sent to their death without trial, merely by a ministerial order. Years later we weren't even questioned as to which party we belonged to. Once in a while we were asked for our names and place of birth. There was even confusion. Such a thing is not permissible. The purpose was nothing more nor less than our extermination. It can be very easy to determine who made the decision, who carried it out, and particularly who tortured those completely innocent people above and beyond their sentence. But opening the trial is up to the Prosecutor's Office. And I've been told that the Prosecutor's Office is not idle, it is working.

[Marculescu] But what about crimes closer to the present: the terrorists, the victims of the miners' raid of June 1990, etc. At what stage are those investigations? Why haven't the trials begun?

[Ionescu-Quintus] I could easily answer that this is the responsibility of the Prosecutor's Office, which in turn is subordinated directly to the head of state. I've been told that the investigations are underway, but it seems to me they're taking too long, as are some of the trials. Not meaning to interfere in the process of justice, I think it is our duty to call attention, as we have indeed done, to the fact that each trial has its lifespan, has a beginning, a term, and an end by law. Having this term extended or shortened does nothing for the credibility and the moral and educational effect of a court decision. Consequently, a penal trial may be opened only if the prosecutor files

an indictment. The court, notified to try such cause, will do its duty. I have every faith in my colleagues on the bench.

High-Level Government Officials Discuss Problems

Constitution Rejected

92BA0236A Bucharest ROMANIA LIBERA
in Romanian 16-17 Nov 91 pp 1-2

[Interview with Teofil Pop, president of the Supreme Court of Justice, by Sorin Rosca Stanescu; place and date not given: "The Constitution Is Antidemocratic!"]

[Text] [Rosca Stanescu] The time has come for you to give your views on the chapter of the draft constitution entitled "The Judiciary Authority."

[Pop] I'm distressed! I expected the new constitution to finally restore the judiciary power—which was de jure and de facto trivialized by the communist dictatorship—to its legitimate rights. In reality, the constitution texts concerning the judiciary power in the form in which they were passed by the Constitutional Assembly last week, are far from guaranteeing the independence of the judiciary. Let me explain. First, I would like to note that the principle of the separation of the legislative, executive, and judiciary powers in the state, which is the basis for the independence of the courts, is absent from the constitution. Two arguments were used in order to eliminate this principle from the constitution: the first was that it did not appear in other modern constitutions either, and the second was that from the totality of the constitutional norms it could be deduced that our state is built upon separation of powers. Except that other states with modern constitutions do not have more than 45 years of communist dictatorship behind them, so in our constitution that principle needed to be specifically proclaimed; secondly, this principle is not at all deduced from the totality of the constitutional provisions, because the new constitution is not built upon the "powers in the state," as was the Romanian Constitution of 1922 or as is the U.S. Constitution for example, but on "state authorities." Moreover, theoretically the independence of the courts is ensured by the principle of the separation of powers in the state. Consequently, if that principle is absent from the constitution and cannot be deduced from its totality, can we still talk of judiciary independence? And I may also add that a real independence of the judiciary power must rest on certain guarantees, therefore, the chapter regarding the judiciary power (which in the constitution is wrongly called "Judiciary Authority") should have devoted the most prominent place to the principle of independent judges and reintroduced the principle of tenured judges.

[Rosca Stanescu] Those principles do appear in that chapter of the constitution....

[Pop] The first principle, regarding the independence of the judges is indeed there, but the principle of irremovable judges is curtailed. Tenure is nothing but the prerogative of a judge not to be transferred, replaced, or released from his post except for serious disciplinary violations or for ignominious penal crimes, certainly not because of his decisions. This principle was distorted because it is applicable only to court and tribunal judges, and in the future to appeal court judges, too, but not to the judges at the top, namely the Supreme Court of Justice. Why? Because the Constitutional Assembly passed an illogical and juristically inappropriate amendment according to which the Supreme Court justices are appointed for only six-years terms. In other words, the party that wins the elections and takes the legislative and executive powers can appoint the justices it needs. The practical consequences of this constitutional provision are the following: 1) The Supreme Court justices, who are to steer the country's law, will be at the mercy of the party in power; 2) The judiciary will not be independent; 3) The principle of tenure for six years is inoperative, because the Supreme Court justices whose decision won't please the legislative and executive powers will not be reappointed for another term; 4) The judiciary will not be a separate power in the state, because the constitution will not ban the structure based on the single and monolithic system of state bodies founded on the subordination of all the institutions to the system of state power, as was the case under the communist system. As a matter of fact, the principle in question is distorted by the constitution: The lower court judges are irremovable for their entire career, from appointment to retirement, while the top court judges are "irremovable" for a limited period of time! Such a regulation does not exist in any democratic constitution. The Supreme Court justices in Spain, Belgium, Portugal, Italy, Sweden, Austria, Greece, and many other countries are irremovable from their appointment until retirement, while in the United States they are appointed for life.

[Rosca Stanescu] The argument cited in support of that decision was childish: the need to promote other judges to the Supreme Court. So why don't the tribunal and appeal court judges have limited tenure so that regular court judges can be promoted?

[Pop] In fact, throughout the world there is a social-biological process at work: As higher court judges retire, judges from lower courts are promoted. The provision I'm talking about was taken from the Ceausescu 1965 Constitution according to which: "The Supreme Tribunal is elected by the Grand National Assembly for the duration of the legislature, at the first session of the latter." With such provisions, can we still talk of a state of law?

[Rosca Stanescu] You mentioned the state of law. What are its mainstays?

[Pop] A state of law must be based on three principles: the supremacy of the law (the cult of the law), political pluralism, and the separation of powers in the state. Now

you relate those principles to the constitution offered to us and see for yourself whether we are headed for a state of law.

[Rosca Stanescu] The Constitutional Assembly discussed at length the establishment of a Constitutional Court.

[Pop] In our country there is no justification for a Constitutional Court, whose main purpose is to verify the constitutionality of the laws. In the recommendations and notes I advanced to the Constitutional Assembly on the draft constitution—on behalf of the Supreme Court of Justice—I brought more than 10 arguments to demonstrate the futility of this court. According to the 1923 Constitution, this verification was carried out by the Highest Court of Appeals in joint session, and there is no reason to now import such an institution. From where did we import this institution? From the French? Except that in France, the Constitutional Council, which is synonymous to our Constitutional Court, is under intense criticism because it violates one of the fundamental human rights by not allowing the citizen to directly attack a law in court, on his own behalf, for being unconstitutional. The actual realization of the right of defense (which is a fundamental civic right) implies the concrete recognition for the parties in a trial of the means to contest the constitutionality of the law cited by the other side. But since we could not import a disputed institution, what did the drafters of the constitution do? Among the other duties of the Constitutional Court they also introduced in the draft constitution that of "Passing decisions on exceptions raised in court concerning the unconstitutionality of laws and decrees." That provision did the biggest disservice to the state of law. The provision violates the principle of the separation of powers in the state, because a political institution (the Constitutional Court, which is the direct emanation of the legislative and executive powers) can interfere in judiciary activities. Thus, court cases in which unconstitutionality claims are made must be suspended, the files must be sent to the Constitutional Court to handle the exception, and then be returned for the trial to continue. In other words, the judiciary power is subordinated to the political power. With such constitutional regulations, can we still speak of a state of law?

[Rosca Stanescu] Nevertheless, what is the legal status of the Constitutional Court?

[Pop] It's difficult to decide between two hypotheses: it is either a fourth power in the state, or a superpower. I think you cannot say that it is the fourth power in the state. In fact, getting away from the 1923 Constitution, the engineers of the draft Constitution took care not to structure it according to state powers, because in that case there would have been no justification for the Constitutional Court; they structured it on state authorities, i.e., public authorities and judiciary authorities. From a juridical standpoint the Constitutional Court can be more correctly described as a superpower, because its functions place it above Parliament and above the executive (the president and the government). Moreover, its

decisions are compulsory and cannot be censored by any institution. Imagine that both the Chamber of Deputies and the Senate unanimously passed a very important and necessary law for the country's judiciary system. If the nine members of the Constitutional Court want to eliminate the law, they can rule that it is unconstitutional, and the law won't be promulgated. The nine Court members will be able to paralyze the law; not even all nine are required, only a majority, that is, five. Is there any constitutional guarantee that this Constitutional Court will not slide toward a dictatorship? It would be the dictatorship of its five members. I think that the Constitutional Assembly does not realize the threat inherent in this institution. And something else. Why do we need to burden the state budget with another institution when the constitutionality of the laws can be verified by neutral professionals: the Supreme Court justices? Both in prewar Romania and in the countries with the most authentic democracy the constitutionality of the laws was monitored only by judges.

[Rosca Stanescu] How do you explain Senator Iorgovan's attitude in the Constitutional Assembly in the sense that the members of the Constitutional Commission were insulted by your recommendation that they not be appointed to the first Constitutional Court?

[Pop] I am very sorry that what was a good intention on my part was so misinterpreted. The need for a Constitutional Court elicited conflicting and contradictory opinions. The members of the Constitutional Commission firmly and implacably embraced the idea of establishing such an institution and rejected all arguments to the contrary.

In that situation, I wanted to suggest to the jurists in the commission the idea that they should not expose themselves to being suspected by the public and the press of pleading their own cause in connection with the establishment of the Constitutional Court. What I was saying in that connection was that if the provision I recommended was included, the members of the Parliamentary Constitutional Commission would be protected against any speculation in connection with the establishment of a Constitutional Court.

Waste, Inefficiency Criticized

92BA0236B Bucharest ADEVARUL in Romanian
19 Nov 91 p 2

[Interview with Industry Minister Dan Constantinescu by Alin Theodor Ciocarlie; place and date not given: "The Industry Between Managing the Crisis and Considering the Waste"]

[Text] [Ciocarlie] Could the exchange rates consolidation and the energy crisis have an impact on the state administration, too?

[Constantinescu] The consolidation of the exchange rates raises new tasks for our ministry in the sense that we must work out preliminary strategies and economic

analyses regarding credit, customs duties, and supporting our own industry. This is the role of any ministry in any country with a market economy. A conflicting tendency stems from the fact that precisely this winter and while having to observe a consolidated exchange rate, we are faced with having to manage with reduced resources. That is why I think that the Ministry has shifted to the other extreme, toward centralization.

[Ciocarlie] On the one hand, the exchange rate consolidation should stimulate export; on the other hand, the energy crisis is cutting into the production. We have heard that even enterprises that paid for their energy in hard currency are subject to restrictions....

[Constantinescu] For a short while the National Bank will be able to support a possible disequilibrium in the balance of payments that will be followed by a natural consequence: the devaluation of the leu in relation to the dollar determined by supply and demand. Therefore, I think that the entire national economy and the industry in particular must channel their efforts toward increasing exports during this period. What you said about energy I think and hope will happen for a very short period of time and will not have a major impact on exports. But efforts will have to be made, also by businesses, to become more profitable and efficient, so that the export prices can be competitive. Payments for electrical power began to be made in hard currency at our request, for lack of any other solution. Generally speaking, the enterprises in question will get more than the volumes of energy allocated, depending on what there is available at this stage. However, because the electrical power network is organized on the basis of automatic deductions and because of discipline lapses on the part of other enterprises served by the same system, there have been accidental disconnections from the network.

[Ciocarlie] Speaking of discipline lapses: I know that you paid surprise visits to some enterprises, for which some people didn't hesitate to compare you with Emil Bobu.

[Constantinescu] I wasn't carrying a gun!

[Ciocarlie] Neither did Emil Bobu, as far as I know, nor did he ever kill anyone. Nevertheless, what can you tell us about the situations you found?

[Constantinescu] That was not the purpose of my visits. I went with the idea of finding out how the electrical power that we are having such trouble supplying at the national level is being commercially utilized. I didn't take any direct measure. But I can tell you that I noted—and I think anyone can note for themselves, even the personnel at the enterprises I visited—that there is a lot of waste in relation to the resources we have. There are one-hectare machine rooms with only one light switch, where the light stays on from Friday night until Monday morning, although I know that this kind of thing has been dealt with in several ways by now. Water, which requires energy to be pumped, is also wasted, while neighboring towns suffer shortages of drinking

water. I think these are matters of regular, elementary education. I made a decision that the departments, state secretaries, and officials should inspect—not in the sense in which we understood it in the past—and carry out comprehensive and complex efforts to call the attention of the enterprises that are still state property and that are indirectly harming the interests of the entire population. These are losses that all of us have to suffer.

[Ciocarlie] Coming back to the Ministry building and the controversial moves you made: bringing all the departments to Victoria Avenue or once again separating the machine-building industry from the electronics industry, something that occurred several times in the past 10 years. What were your considerations in so doing?

[Constantinescu] The main issue was to increase the functionality of the apparatus of the Ministry of Industries. It was very difficult to work with seven-eight departments spread out in seven-eight buildings in Bucharest. The second consideration was that the departments had directorates with general, unspecified duties: Budgets, payroll-personnel, management-legislation, which could be handled at ministry level with reduced personnel. It was not a personal decision, it was discussed in the government and with the prime minister. In fact, the reorganization had begun one and one-half years ago, but we thought it should be stepped up in view of the crisis.

[Ciocarlie] Was it really opportune at this time?

[Constantinescu] Since it was begun one and one-half years ago, I don't know why it had not been completed by now. The talk was that the move will take three months. I want to tell you that it was decided in two days and carried out in another two. The program of electrical power allocation went on smoothly. The personnel still left in the departmental buildings will be reallocated, on the basis of exams, to the vacancies existing in the Ministry structure (there are 250 vacancies!) or to institutions subordinated to it. The exam has been announced and will take place on 27 November. Practically speaking, we need another 100 people from outside the Ministry—we had very many vacancies. As for separating the machine-building and electrical engineering industries, that was approved by a government decision, so there was no question of a personal decision. The time they had been together had not produced good results: Together they held half of the entire industrial personnel and 500 commercial companies out of 1,600!

[Ciocarlie] You were "accused" of lacking managerial experience in industry....

[Constantinescu] I seem to be accused of very many things. I worked for 14 years in industry, I managed the operations workshop of the IOR [Romanian Optical Industry] computer center; I held no managerial jobs at the macroeconomic level prior to coming to this ministry. But at the Ministry I went through all the levels,

from deputy director general to minister. I think that my promotion from one level to the next was not unrelated with my managerial skills.

[Ciocarlie] A last question: It is very noble of you not to seek people to blame for the current energy situation; does it mean that you take all the responsibility upon yourself? I'm not referring to you personally, but to the new team at the head of the Ministry.

[Constantinescu] Assuming the responsibility is a statement and an idea from the past. The managerial team couldn't assume such responsibilities even if it wanted to. Such a thing is not possible in a normal economy. I'm not evading responsibility, but we must realize that the responsibility cannot be personal; in itself the crisis program is the outcome of the work of hundreds of experts. Just as—if we survive the winter—the merits won't be personal either!

Effects of Exchange Rate Consolidation

92BA0236C Bucharest *TINERETUL LIBER*
in Romanian 14 Nov 91 pp 1-2

[Interview with Industry Minister Dan Constantinescu by Liana Simion; place and date not given: "The Effects of the Consolidation Cannot Be Exactly Predicted at This Point"]

[Text] [Simion] Minister, last Friday you left the press conference saying you were going to the government to meet with Miron Cosma and the 29 Jiu Valley trade union leaders. The TVR [Romanian Television] denied the report picked up from ROMPRES. What did actually happen?

[Constantinescu] Government meetings with Mr. Miron Cosma are generally uncertain, because they are not exactly set and established. The information I gave you at the time was apparently incorrect. Miron Cosma did not come, but that was what I, for one, was told, so that's what I told you. I'm sorry that the meeting didn't take place. The miners trade unions came on Saturday, except for those from the Jiu Valley. You see, problems other than the government or the state administration keep cropping up.

[Simion] The radio aired another communique saying that soon you and the prime minister will go to the Jiu Valley....

[Constantinescu] I don't know anything about that. That may have been planned. I haven't been told anything yet. I'm not denying such a possibility; I'm not averse to going to the Jiu Valley if necessary, but so far no such suggestion has been made on either side.

[Simion] Speaking of the manner in which Mr. Stolojan presented the so-called "Jiu Valley effect," do you think that such a visit, designed to explain why the Jiu Valley was exempted from the wage indexing, can resolve the problem and that people will quite understand what it is about?

[Constantinescu] What I want to tell you is this: Whether the talking is done by the prime minister, the industry minister, of the management director (Autonomous Coal Management—ed. note), in my opinion the results should be the same. The information is the same, it reflects the same reality, and I think that who presents it is not very important. If we were to do the same in each branch of activity, the prime minister would never get to his office, if he had to explain to each enterprise and each business what the actual situation was. Opinions have been expressed in a pretty broad framework, in Parliament, at government sessions, on television, on the radio, and in the press, so I think that the information in question can only be real.

[Simion] We are in the midst of an economic crisis, an energy crisis, in short, in crisis. Why are reorganizations being conducted at "the top" precisely now, on the brink of winter, when the industry needs to ensure a minimum of resources for the "survival" of production and the population?

[Constantinescu] The reorganization was begun only two months after the revolution, after the appointment of the then minister, Mr. Zisu, who personally declared in the press that the 12 ministry components making up the MRI [Ministry of Resources and Industry] will have to be readjusted and resized so as to form a coherent whole that is the Ministry of Industry. This activity has been pursued since September 1990 and some of the stages were gradually completed. The conditions in which we are working, combined with the effects of the shortage of (electrical) power can lead to an extreme crisis if we don't manage to provide energy for the national economy; that makes the completion of the establishment of a coherent Industry Ministry even more urgently necessary, precisely in order to be able to resolve quickly and in real time the problems facing us. It was said that bringing all the departments here, in this building, as functional sections of a state administration entity may have long-lived disruptive effects on the economy. Those were mere speculations, because we have proven that the entire action was completed from A to Z in one week without any problem. The departments are already working, even more productively than before, in the sense that the flow of information is direct, not by phone, paper trails, or couriers. Now people can talk directly and the relations have been greatly simplified within the Ministry. One first result was to allow arguments and documentation to be provided more quickly for ministerial and governmental decisions. That is a great achievement, and without this kind of organization we wouldn't be able to manage, either now or in the future.

[Simion] Are you a member of any party?

[Constantinescu] I am not and have no wish to be. I hardly have time for my work at the Ministry, and I can tell you that I work from 0800 until 2100, and then take papers home to work on at night. I have one principle: At least at my level, documents must not wait more than one day, precisely in order to simplify the flow of

documents and shorten the reaction time to some of the Ministry issues, so as not to become a bureaucratic obstacle to economic and industrial activities. I have even become a nuisance: I demand that work be completed in a very short time and this alert pace requires additional effort and more headaches in order to produce decisions and viable recommendations. That means concentration and energy.

[Simion] At your first press conference you made an alarming statement, namely that there were about seven requests from parties for posts of secretaries and undersecretaries of state.... Should I understand that in addition to your current problems you are also under "pressure" from the parties?

[Constantinescu] Frankly, I personally have not been "pressured." In the course of the negotiations among the political forces which participated in the formation of the current government, some parties did not get ministerial positions in the government, so the idea was that they could be represented by the posts you mentioned. The parties participating in this government coalition have expressed some choices, and about seven parties expressed the wish to have seven posts of secretaries and undersecretaries in our ministry. I actually have seven requests. I don't know how many there are from one party or another. Prime Minister Stolojan told me about these requests. Two positions were negotiated for the Ministry of Industry (including related areas of activity); this was not my choice, it was established among the parties. More specifically, it concerned the positions of secretary of state at the Department of Metallurgy and undersecretary of state at the National Commission for Waste Recycling. The two negotiated proposals I accepted were Mr. Bivolaru (National Liberal Party) for Metallurgy and Professor Drimer (Ecology Movement of Romania) for the Commission. The two will begin working as of tomorrow (Monday, 11 November 1991) in accordance with the prime minister's decision.

[Simion] What does the consolidation of the rates of exchange mean for the Ministry of Industry? What will be its consequences?

[Constantinescu] This is the moment of economic truth. The consequences for our ministry will be serious and will depend on how fast we can mobilize to find working solutions in this system, which makes it necessary to align the prices of basic raw materials to international prices; in other words, we will have to carefully evaluate how profitable we are in the competition with similar foreign firms, so that we can continue to be profitable and be able to produce without particular disruptions from a social viewpoint. The lack of productivity in a certain area has both economic and social implications. At this time we cannot yet tell exactly what the influences of these effects will be in the economy.

[Simion] Why?

[Constantinescu] There are three categories of prices in Romania: prices set by the government for basic raw

materials; prices freely negotiated among enterprises; and prices negotiated with the mediation of the Ministry of Industry or the Department for Prices of the Ministry of Economy and Finance. The balance that will be achieved among those types of prices will determine how profitable various enterprises will be; some of them may turn out not to be profitable at all.

Energy Shortage Solvable

92BA0236D Bucharest TINERETUL LIEBR
in Romanian 15 Nov 91 p 2

[Interview with Industry Minister Dan Constantinescu by Liana Simion; place and date not given: "I Think That Solutions Will Be Found to the Energy Problems in the Near Future"]

[Text] [Simion] Strictly in connection with what you said, don't you think that a bankruptcy law is necessary?

[Constantinescu] I have long been asking that such a law be passed in Parliament, not so much in order to help enterprises with their bankruptcies, but in order to have a legal provision with which businesses should be familiar, so that they can organize their activities and know what to do in every situation. Right now, whether they are efficient or not, companies cannot plan a clear strategy. It will also greatly depend on how such a law will present the essential issues. Even if some of our enterprises will be classified as unprofitable, the states provides means of temporary protection designed to help economic enterprises through this period of transition. I am thinking of customs duties, the policy of preferential loans, or foreign assistance for acquiring new technologies. Taking into calculation all these realities, I hope that we will have as few enterprises as possible that will find it impossible to work because of international competition.

[Simion] Coming back to the governmental domain, you made a shocking statement. You stressed that although personally you do not agree with the exceptional measures adopted by the government in an exceptional situation, you will implement them because they are executive decisions. This may be interpreted to mean that you have adopted a dissident position within the Stolojan government.

[Constantinescu] Not at all. What you're saying refers, I think, to the manner in which the energy resources should be managed at this stage. According to Government Decision 493 of 1991 dealing with the duties of the Ministry, the Ministry should not be directly involved in this kind of activity. In view of the new system of activities and relations between the Ministry and economic enterprises, the Ministry should not be in charge of managing these energy resources for two reasons: The Ministry no longer has the necessary means or the capacity (and personnel) to coordinate the allocation of such resources at the national level. At the request of the government and in view of the fact that this is a transition period, I set aside my views and the legal

aspect of our activities and I agreed with and even became very seriously involved, together with my colleagues at the Ministry, in this attempt to manage the few resources currently available so that the economy can run and so that the major problems can be resolved. In the eyes of the public much of the responsibility for the above rests with the Ministry of Industry, although we do other things than managing the existing resources. That these resources fall short of requirements may be viewed as the fault of the Ministry, but I can prove, and I don't mean to clear myself, that it was not up to us to secure the financial means for procuring energy resources. The blame may be passed from one institution to the next, but in order to end this discussion I want to tell you right away that the economic enterprises did not fulfill their legal duty, which was to deposit the necessary hard currency with the Centralized State Fund in order to procure these basic raw materials, and that is why the circle could not be closed and we are now in the situation in which we are. The Ministry of Industry requested RENEL to improve its activities and to put as many facilities as possible into operation producing electrical energy for the winter. Given the resources, we can have over 9,000 MW [megawatt] in operation, enough to supply the necessary electrical power in normal conditions to the entire national economy. Currently we have 7,000 to 8,000 MW in operation. We requested RENEL to test all its capacities this week, including the difference of 1,000 to 2,000 MW, so that once we have the energy resources we shouldn't find that some of the equipment and installations are not in optimal working condition.

[Simion] Do you think that once the foreign currency accounts are converted into lei the resulting amount will be sufficient to cover imports of vital raw materials and to support the consolidated rate of exchange of the leu—for a limited period of time—considering the “thin” currency reserves we have?

[Constantinescu] This is a very clear and very interesting issue. We needn't think that this measure is enough to solve all our problems for ever. I think that in the near future we do have quick solutions for resolving the energy problem; we must remember that we need to finance imports by exporting. Without a positive import-export balance the leu will be greatly devalued. Now that we have one rate of exchange we can no longer be in a situation not to have the necessary foreign currency to pay, but we will have a massive devaluation if exports don't keep up with the imports we require.

[Simion] The industrial structure “inherited” leads to greater imports than exports. That is a reality that we cannot ignore....

[Constantinescu] Yes. I will tell you something that I also pointed out at my talks with Mr. Mokhsin Kahn, the head of the IMF mission to Romania. There are several inherited major imbalances in the Romanian economy that unfortunately cannot be resolved in a short period of time. The first is the imbalance between the volume of

(domestic) raw material resources and the processing capacities: In the metal industry we have only 5 percent of the necessary iron ore resources, the rest is imported; similarly, we have oil refining capacities for over 30 million tons, while the domestic production in 1991 was between 6.2 to 6.8 million tons. Another discrepancy is between the industrial production of consumer goods and the industrial production of complex installations for investment projects, which completely changed dimensions after the revolution, in the sense that the production of consumer goods increased more markedly. The third great discrepancy is “stagnation” in the industry for creating means of investment. We need to resize these components so as to be able to meet the people's current needs rather than prerevolutionary plans and programs. The fourth imbalance is between Romania's economic and industrial structure and our former markets, which have completely changed both their consistency and their needs (immediately after the revolution). The CEMA markets, which required certain products at certain parameters, is gone. After its fall the Romanian economy was faced with disparities because what we used to manufacture is no longer in keeping with the standards and needs of the markets we needed to win. We must change the structure and quality of our products and the mentality of those involved in exporting. We still have the barter agreement with the USSR, but prices and demands greatly changed after the revolution and the Romanian economy must take into consideration these difficulties.

[Simion] When do you think the first changes will be felt in Romanian industry?

[Constantinescu] Some areas and sectors of the national economy have already adjusted to the new conditions and are working efficiently; in my opinion, those will progress very quickly. I am referring to the furniture industry, part of the light industry, the glass industry, and others which were able to advance because they were in a position to work independently without having to correlate with other enterprises and other industrial branches. Some sectors of the machine-building industry have adjusted very easily, but building a car, for example, requires cooperation with at least 200 suppliers. The final efficiency is predicated by the efficiency of each and every intermediary link. Logically speaking, whoever thinks that economic measures can have immediate effects or take one or two days, is totally mistaken. Unfortunately, I think that my mission until the elections will not allow me to enjoy possible future positive results. Which does not mean that we are not focusing on measures designed to permit improvements in industrial activities and also to facilitate any of the options of the next government so that the present measures should not jeopardize the future of Romania's industry.

[Simion] Before ending our discussion, I would like to launch a...provocation. It has been said that you had declared “war” on the press. What specifically bothered you about your relations with the mass media?

[Constantinescu] "Bothered" is not the right word, perhaps it was a failure on my part.... I have learned a lot, but when it comes to relations with the press I don't have much experience and that may be the reason for my dissatisfaction with the success of the dialogue between the Ministry leadership and the mass media. I noted that (in a number of publications) the measures we discussed seem reflected back to front, how shall I put it, like a photo negative. That's what surprised me: The press sometimes carries statements that can be easily verified, so I wonder why no one verifies them? We are open; every week we meet with colleagues from the press, we have released information, and I am surprised that the situation is not reflected accordingly. I personally am not so bothered about these reports, but I was thinking about the role of the press for explaining and supporting this unique process of change in mankind's history. No one has ever made the transition from a socialist economy to a market economy, and the processes must be correctly explained in the press so that people can act consciously and make pertinent observations rather than continue to create chaos.

Investors Need Not Worry

92BA0236E Bucharest LIBERTATEA in Romanian
18-19 Nov 91 pp 1-2

[Interview with Mugur Isarescu, governor of the National Bank, by Octavian Andronic; place and date not given: "We're Not Headed for a Dictatorship of the Banks!"]—first paragraph is LIBERTATEA introduction]

[Text] As of today, three private banks will also participate in the currency fixing: Tiriac, Mindbank, and Bankcoop. REUTER: "Romania's domestic single exchange rate proves that the country is making a final break with the centralized economic system." "For two years we've been doing nothing by 'dedollarizing' the economy." "We will adopt a flexible position toward the private sector." "We take the responsibility for ensuring the necessary foreign currency for all current account operations." "I believe and hope that this is the last authoritarian intervention in this area."

[Andronic] Mr. Governor, why are there only four representatives and only of the state banks in the fixing commission? Is this by any chance the banks' reaction to the populist slogan, "down with the privatized?"

[Isarescu] As of today there will be seven. The four will be joined by representatives of Tiriac, Bankcoop, and Mindbank. And the opening will not be limited just to that. Also today we had technical discussions with foreign banks in Bucharest in order to connect them not only to this operation itself, but also to the new types of operations in general. They, too, will have to work harder to diversify their services and build up their capacity to run accounts in lei. And they should also take risks, like the rest. The fact that in the beginning there were only four banks—the most important—had to do

with the consolidation operation and the technical conditions it required. You see, we wanted to do it once before, in September, but we failed. We couldn't afford to run such a risk again.

[Andronic] At last Thursday's meeting I wanted to ask you a question, but I could not get to it because of the avalanche of congratulations and honors piled on you by your colleagues....

[Isarescu] Not on me, on the prime minister!

[Andronic] Precisely. I'll take advantage of this opportunity to ask: At the time when the decision was taken to consolidate the domestic exchange rates, did you also assess the consequences of the crisis of confidence that such a shock measure can generate among foreign investors and private businessmen?

[Isarescu] We did, and we tried to preempt such consequences. The proof is that the international mass media learned about it almost immediately through Reuters, whose comment was that in this manner Romania was clearly demonstrating its final breakaway from a centralized economic system. At that time an IMF delegation was in Bucharest and they also gave us some good advice. But generally speaking, foreign investors are influenced by what they read in the press, and rather haphazard terms like "confiscation," "nationalization," and so forth, only made them sit up and pay attention.

[Andronic] After two years of building up the myth of the all-powerful dollar, don't you think that the shock of pulling it off the pedestal may have been too strong for the public?

[Isarescu] If we stop to examine the situation carefully you will see that in these two years all we did was to gradually "dedollarize" the economy, thus allowing the market to operate. But I think that we don't need more than one month to regain the confidence you mentioned.

[Andronic] Are you referring to the 31 December date given to private businesses to clarify the situation of their foreign currency accounts?

[Isarescu] Not only that. Although it is not out of question that new elements will emerge in this respect. Tomorrow we will even have talks with decisionmaking factors in the government, banks, and the Privatization Agency on the impact of the consolidated exchange rate on the private sector. We plan to ensure that the system will not discourage the private sector or foreign investors, and we will take the necessary measures to make our system credible for legitimate business as soon as possible. We will adopt a flexible position.

[Andronic] What elements will you be considering?

[Isarescu] Not to encourage the flight of capital; that serious and sound investors have nothing to fear. You see, when we assessed the domestic situation we compared it to the neighboring countries. If Bulgaria, for

example, which has no reserves and large debts, managed to achieve this step only by means of the exchange rate, why couldn't we, who have no debts, have some reserves, and have a foreign trade somewhat less affected by dependence on CEMA? One thing should be clear, however: At present we cannot afford more than convertibility on current account—only for current operations in the country. And there is something else: There is some confusion—the foreign currency is not relinquished to the National Bank or into some centralized state fund. It is used so that the commercial banks can fulfill their role as intermediaries!

[Andronic] Doesn't it seem to you that after the revolution we kept fearing a military dictatorship, only to now fall into a dictatorship of the banks?

[Isarescu] That is of course an exaggeration. But what is no exaggeration is that money, in view of the fact that its role is to ensure the circulating system, actually speaks the loudest. If we can have a healthy monetary circulation, that'll be good for everyone.

[Andronic] Do you think that there is any chance that this kind of authoritarian intervention may be repeated in the near future?

[Isarescu] I think and I will say that this was the last of its kind in Romania. But we had to do it. We almost gave up at the last minute! Now, however, the circle has been closed. The privatization is off and running. A few important moves remain to be made to ensure the operation of and guarantee foreign trade, agriculture, and small-scale entrepreneurs. It is also very important to establish a fund of guarantees for loans to the private sector. The state must participate in these funds and take some risk on such financing programs.

[Andronic] Was it legal to ensure a consolidated exchange rate by transferring all foreign currency to the state? Did that not violate the provisions of Laws 15 and 31 and other regulations?

[Isarescu] There was nothing illegal. We acted in compliance with the provisions of the law on the operation of the National Bank and then of those you cited. The relinquish order was applied only to state capital. The others were only told to comply with the system.

[Andronic] What will happen in the future with those who hold foreign currency, what about their future import needs?

[Isarescu] We take the responsibility for ensuring the necessary foreign currency for operations on current account; evidently as long as the rules of the games are being observed. And the technical system of the banks will ensure the smooth flow of such operations.

[Andronic] Thank you!

Officials Queried on Economic Issues

G-24 Loan, Use Detailed

92BA0253A Bucharest ADEVARUL in Romanian
4 Dec 91 pp 1, 3

[Interview with George Danielescu, minister of economy and finance, by Corneliu Carlan; place and date not given: "The First Billion Dollars, Waiting for the Second!"—first paragraph is ADEVARUL introduction]

[Text] The West is finally opening its purse to Romania, too. The Group of 24 [G-24] has approved a \$1 billion loan for us. Details are in our interview with Mr. George Danielescu, minister of economy and finance.

[Carlan] This million dollars has been talked about for a long time. Who deserves the credit for obtaining this loan?

[Daniescu] This loan was negotiated already in the first half of 1991, but the negotiations were interrupted because of the September events. The following formula has now been reached: 50 percent of the loan will be made available by the EEC and the rest by the other G-24 countries, meaning the United States, Japan, and the EFTA member countries. The delay in securing this loan was also caused by U.S. reservations which, as you know, were not of an economic, but of a political nature. Thus, the EEC is granting half of the 1 billion credit, which is 375 million ECU, which at the current rate between the ECU and the dollar is almost \$500 million; Japan will give us its share of the loan simultaneously with the structural adjustment loan from the World Bank, or the SAL, as the latter is known in our country. After all those consultations, a memorandum was signed on 28 November of this year between the EEC and the Romanian Government, as well as a credit accord for the 375 million ECU loan. This loan will be received in two installments: The first 190 million ECU will be received immediately—immediately meaning after the Romanian Parliament has ratified the credit accord and the legality of the act has been certified by our Ministry of Justice and an EEC accredited jurist. So, if everything goes well, we should receive this loan at the beginning of January after the opening of the money markets, which are closed during the winter holidays from 15 December to 10 January. The loan is for seven years at the market rate of interest. The amount we will actually receive will be the difference between the overall loan and the costs of the loan issue, i.e., the costs that the EEC will incur for the issue of stock in the finance market in order to mobilize the money, and the commission of the banks managing this loan.

[Carlan] For what purpose was the loan granted?

[Daniescu] The EEC is granting this loan in order to support our balance of payments and thus Romania's economic policy. The parameters of this economic policy were set down in the memorandum, the Standby

[preceding word in English] signed with the IMF. Payment of the second installment is predicated on Romania's continuing to fulfill the performance criteria envisaged in the memorandum with the IMF. In other words, the EEC will continue the financing as long as we comply with the Standby Accord. If these performance criteria are fulfilled and the fact is confirmed by the IMF, the EEC will pay the second installment. That may occur in February. There is also a chance that the second installment will be paid on the basis of the fulfillment of the performance criteria by the end of September, which Romania has fulfilled. That would signal recognition of the efforts Romania made in the course of 1991 along the line of economic reform and stemming inflationary processes.

[Carlan] Who will manage the utilization of this loan?

[Danielescu] The loan will go into the National Bank hard currency reserves; in fact, Mr. Mugur Isarescu is one of the signatories of the Memorandum and Loan Agreement; hence, the loan will be utilized in accordance with the government's economic policy.

[Carlan] Is one of the uses to support the convertibility of the leu?

[Danielescu] Support the convertibility and finance imports this winter: energy, fuel, raw materials. In fact, the amount of this loan was taken into calculation when we established the balance between the required currency reserves and the payments we will have to make in the coming months, until spring.

[Carlan] Will this loan also be used to acquire new technologies?

[Danielescu] I'm not aware of such a possibility.

[Carlan] What about Japan's contribution to the loan?

[Danielescu] Perhaps that part of the loan will be earmarked for that purpose. In any event, we are considering financing new technologies either from domestic resources, or, if from foreign resources, then the financing should be allocated directly for new technologies. For example, Groups IV and V of Turceni [presumably electrical power blocks] are being provided with new technologies for which we obtained credit from West German banks. Similarly, loans will be secured from the World Bank in order to provide the telecommunications system with new technologies.

[Carlan] What are the chances for receiving the other half of the billion dollars?

[Danielescu] What is important for the other half of the billion dollars is, on the one hand, the U.S. position, which may become somewhat more flexible now that the EEC has covered its part. The other countries count, too—I mentioned the EFTA members with their \$200 million contribution to the loan. We must strive to move these countries to pay their share of the loan as soon as possible, something that is feasible.

[Carlan] At a press conference National Bank Governor Isarescu talked about an intention to renegotiate a new Standby with the IMF. What is the stage of that?

[Danielescu] In order to renegotiate a new Standby we must first satisfactorily complete the current Standby. The current period, meaning these few months, are very important for that, in view of the fact that the very large imbalances we have, the energy shortage, and the financial freezing that we must somehow resolve, make it difficult to observe the performance criteria established for the end of the year. Very important is also the manner in which we will explain our problems and what we plan to do in the future. We must demonstrate to the international financial circles that if we achieve financial unfreezing, that will not be as a result of the mere repetition of similar measures adopted in the past years; and also that we will continue to adopt a very strict financial policy in the matter of payments. More plainly put, until we show that we are ready to declare bankrupt an enterprise that doesn't meet its payments, they will not be convinced that in another six months we won't proceed to another financial unfreezing. I want to stress that this is my view, which is not very widely shared inside the government, but we have to assume this risk.

[Carlan] Provided we have a bankruptcy law....

[Danielescu] We have a bankruptcy law. We have provisions in the Commercial Code; on the other hand, there is no law requiring a bank to contribute to giving credit to an enterprises that cannot honor its payments. The main thing is our will to do it. Even though this is a transition government, it must nevertheless have the courage to do so. If we do adopt these measures, simultaneously with the financial unfreeze, the IMF will have understanding for us and it will serve as a very good basis for negotiating a new Standby. If we succeed, the doors will open before us for further cooperation with the G-24 and we may sign a new contract for \$1 billion; of course, if all the sides fulfill their obligations concerning the current contract. So we cannot talk to the EEC about giving us another \$500 million until the United States has covered the contribution to which it agreed for this first billion dollars.

Banker on Problems, Prospects

92BA0254B Bucharest ADEVARUL in Romanian
4 Dec 91 p 3

[Interview with Ion Ghica, president of the Romanian Commercial Bank, by Corneliu Carlan; place and date not given: "We Swam, We Didn't Drown"]

[Text] On 1 December 1990 the state banks became commercial banking companies. One year later, Mr. Ion Ghica, president of the Romanian Commercial Bank, the largest Romanian banking company, told us:

"For the past year the Romanian Commercial Bank has been operated like a real banking company. We followed the rules of operation of this kind of company, which

were in keeping with the present stage of transition. Like a mirror, our activities reflected the progress of the economic enterprises with which we have financial relations. And since the economy is going the way it's going...Our banking network currently consists of 140 units—branches, offices, agencies—employing almost 9,000 professionals whose concern is to provide the best possible services to the customers who have accounts with us.

[Carlan] One expert joked that taking crediting away from the National Bank and establishing commercial banks was like tossing the latter out the window in free fall!

[Ghica] The comparison is forced; to be more precise, we felt as if we had been thrown into a pool, but being swimmers, we managed pretty well. At present the difficulties stem mainly from the fact that some customers are failing to repay their loans on schedule, which for us have become nonperforming loans. To that we have to add the difficulties stemming from the much discussed problem of material resources, beginning with the most elementary: appropriate offices and outfitting them with the requirements of a bank. In order to resolve this problem our bank plans to build 37 new premises in the coming years, five of which will be bank branches and 32 offices. We already have approved plans for 26 projects. Nevertheless, in many counties there are delays in securing site permits and in planning. What we think were natural requests to transfer to us the buildings of former banks are being ignored in quite a number of counties. Such buildings have been requested in Oradea, Cluj, Craiova, Ploiesti, Mehedinți, and Mures.

[Carlan] In a televised address the president of the Romanian Banking Association stated that the banks suffer from a shortage of capital. Is this true of your bank, too?

[Ghica] It's a fact; the ratio between our own capital and the volume of credits granted is inappropriate. But that was only to be expected in conditions in which the economy needs an increasing volume of loans. We have a capital of over 12 billion lei and we are issuing an important volume of loans. We are in the process of preparing to increase our company capital by a new stock issue.

[Carlan] What market economy services can you provide?

[Ghica] Our statute envisages the entire range of specific banking services customary in a market economy. We are concerned about providing good quality services, efficiency, specialized customer assistance, and developing foreign relations. Although we have correspondent agreements with over 200 foreign banks and 46 accounts have been opened on behalf of the Romanian Commercial Bank, we believe that in this respect we are only making a beginning. We provide very many small-scale services at a high cost both to the bank and to the customer, because we don't have the right tools for account settlement and payments.

[Carlan] What do you think of the impact of the new currency revolution?

[Ghica] The impact is being felt as expected. For the time being we are making due payments in hard currency, which preceeded the convertibility, but the mechanism is beginning to work. My personal observation is that many businesses will take full advantage of the fact that they won't have to buy dollars at 300 lei anymore, but at 180 lei, in order to import more chewing gum, cigarettes, drinks, and candy, which may make life more pleasant, but also more expensive. That notwithstanding, I still think that our priorities are industrial raw materials, energy, food, and new technologies. But we have a market economy, and if the leu is domestically convertible, we will have to make sure that it is so in actual fact.

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